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THURSDAY, MARCH 27, 1952

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## F.I.A. Unveils Broad Cover for Highly Protected Risks

Plan Outlined in Detail at Hearing on Filing in North Carolina

RALEIGH, N. C.—A new rating plan for highly protected risks, developed by Factory Insurance Assn., which offers far broader coverage than the present plan, was unveiled and described in detail at a public hearing here on a filing made by North Carolina Fire Insurance Rating Bureau. It was indicated that it is calculated to put stock companies into better competitive position on coverage offered in conjunction with engineering or inspection services.

Frank D. Ross, general manager of F.I.A., said the same plan is being filed immediately in the 25 other states which have approved the old policy now in use in North Carolina. Eventually, he added, the plan probably will be extended to all states.

Spokesmen for the North Carolina bureau declined to comment on the competitive angle of the new plan, but Ambrose B. Kelly of Providence, manager of Factory Mutual Rating Bureau, who attended the hearing, asserted that it followed almost in detail the Factory Mutual plan which has been in effect for some years.

### What New Policy Offers

The new policy offers fire, extended coverage, riot, civil commotion, vandalism and explosion protection in a single package. At one juncture in the hearing, Commissioner Cheek noted this and told the bureau: "I am glad to see you are becoming a multiple line bureau."

Since it is a package policy, Mr. Cheek advised the bureau, he also expects premium-loss experience to be reported in a package. By that, he explained, he means the bureau should make an annual report on the experience from this policy alone instead of putting the experience with that for other fire and extended coverage policies.

"Let's let that be a part of the understanding," Mr. Cheek said, "that it will be a separate line of insurance." Mr. Ross said his association would be willing to supply the experience on the basis proposed by Mr. Cheek.

### Changes That Are Proposed

The proposed policy is far more liberal and contains much more coverage than had been offered in the old policy. Some of these changes include: Extension of coverage to include manufacturing risks not otherwise classified, cotton stored in mill yards and pulpwood stored in connection with paper mills, allowing rating managers to approve a package form for multiple locations even though some of the locations do not qualify for rating under the plan; elimination of a requirement for complete roof anchorage; requiring "fire protection equipment" instead of "approved automatic sprinklers;" requiring outside protection only "where necessary;" providing for a 25-day waiting period on notices of cancellation if the risk so desires; inclusion of use and occupancy coverage and agents' pro-

(CONTINUED ON PAGE 34)

## Huttenlocher Chairman of Midwest Conference

Resolution Urges Merger of W.U.A. and Western Actuarial Bureau

By JAMES C. O'CONNOR

MILWAUKEE—A study by company management of methods by which the two regulatory organizations supervising fire and allied lines in the midwest could be integrated was urged at the Midwest Territorial Conference of National Assn. of Insurance Agents here this week.

With 625 registered, an attendance record for any meeting of the five territorial conferences, H. W. Huttenlocher of Pontiac, Mich., was elected chairman succeeding J. L. Ashton, Milwaukee.

The integration proposal, made in the form of a resolution unanimously approved, stated that a duplication of effort now exists in the functions of the two organizations. It expressed the hope that integration could be brought about without adversely affecting their useful functions.



H. W. Huttenlocher



J. L. Ashton

Presumably, the resolution seeks a merger of Western Underwriters Assn. and Western Actuarial Bureau. Many of the agents in attendance said they feel that under the present arrangement there is an undesirable division of responsibility. There is precedent for the proposal, comparable mergers having been effected on both the east and west coasts with Eastern Underwriters Assn. and the Pacific Board as the continuing organizations.

A. G. Harrison of Louisville, Ky., was named 1st vice-chairman and it was voted to have the 1954 gathering at his home city. Kenneth Ross, Arkansas City, Kan., was reelected vice-chairman. T. K. Robinson, Memphis, was returned to his post as secretary and Irving Blumberg of Detroit was elected treasurer.

### Set Up Committee System

In another resolution it was voted to establish standing committees within the conference, to be headed by a chairman, vice-chairman and secretary appointed by the general conference chairman, and to include at least one representative from each state. These committees would serve as liaison groups with companies, bureaus and regulatory organizations.

Under this resolution the midwest conference committee, which antedates the territorial conference, would become an official arm of the latter. It also makes possible formation of a special committee proposed at the rural and small lines breakfast which would represent the smaller agents and would meet annually with Farm Underwriters Assn.

A third resolution noted a trend to

permit the definition of "dwelling" to include three and four family units and asked Western Underwriters Assn. to establish this broader definition on receipt of official request from the agents' association of any state within the conference.

Arthur M. O'Connell, Cincinnati, president of Ohio Assn. of Insurance Agents, the resolutions chairman, reported that no action was taken on a proposal to apply class 1 auto rates to drivers under 25 who have satisfactorily completed recognized training courses. It was decided, he said, that this is national problem and any action taken on it should be by N.A.I.A.

Mr. Ashton did an excellent job as chairman, meeting several difficult situations with aplomb. The Schroeder hotel facilities were adequate for the meeting and Mr. Ashton and Urban Krier, secretary Wisconsin Assn. of Insurance Agents, who was director of convention activities, were given a resounding hand at the close.

### New Chairman Long Active

Mr. Huttenlocher, the new chairman, has been a vice-chairman since the Midwest Conference was formed in 1949 and moved into the second slot last year. He was president of Michigan Assn. of Insurance Agents in 1947. A native of Jackson, Mich., Mr. Huttenlocher has operated his own agency at Pontiac since 1932, spending a short time in the life insurance business with Equitable of Iowa prior to that.

It is expected that the Midwest Conference will meet at Detroit in 1953 and W. O. Hildebrand, Lansing, secretary Michigan association, will be director of convention activities.

The opening session Monday morning was marred by the illness of George W. Carter, Detroit, veteran chairman of the conference committee, who was unable to give his report on negotiations with companies, progress in solving problems and new problems which have arisen. This report has been an annual high spot of the conference and also has featured the midwestern session of National Assn. of Insurance Agents meetings for many years. Commissioner Navarre of Michigan, at the invitation of Mr. Ashton, paid high tribute to Mr. Carter, and the group, at his suggestion, gave Mr. Carter a rousing recognition of his services through the years.

### Impromptu Speakers Fill Gap

Three impromptu speakers filled in the morning session to the satisfaction of everyone. J. F. Van Vechten, Akron, president N.A.I.A., told the agents that the most pressing problem today, in every state, is automobile insurance. Compulsory insurance, he said, is a real threat everywhere and monopolistic state insurance funds are certain to accompany any such development.

(CONTINUED ON PAGE 16)

## \$1 Million Loss in N. Y. Warehouse Fire

The fire that destroyed the Lane store's warehouse on Fourteenth street in New York City and damaged the contents of the adjoining store, which was a new venture, will cost insurers about \$1 million. Most of this is represented by contents of the warehouse. Great American was one of the large insurers on the line but there were a number involved. Lane's is a Lerner interest.

## Insurance Loss May Reach \$5 Million in Southern Tornado

Arkansas Loss Put at \$2½ Million, Other States Also Hit Hard

Reports from the southeastern and southwestern offices of General Adjustment Bureau indicate an aggregate loss from weekend tornadoes of between \$4 million and \$5 million on perhaps 7,000 properties. It is too early to tell how much of this is insured. Probably nearly all of the damaged and destroyed structures are insured but many smaller homes are greatly underinsured.

The heaviest damage was in Arkansas where the tentative estimate is \$2½ million on some 5,000 losses, of which probably 2,000 are in the severe category.

General Manager James Mizza of the G. A. B. southwestern department got a temporary office in operation by Sunday evening at Searcy, Ark., with two veteran adjusters, "Doc" Webb and Thomas Jones, in charge of a staff of 50 adjusters and clerical personnel. Searcy is about 10 miles from Judsonia, which, along with Pine Knob, was virtually wiped out. Most of the severe losses were in these two areas.

Roy Bachman, southeastern manager, has sent nine additional adjusters to Dyersburg, Tenn. There are an estimated 500 losses averaging \$750 in the Dyersburg area. In the region serviced by the Jackson, Tenn., office there are believed to be 1,000 to 1,200 losses averaging \$500 to \$750.

G. A. B. has 14 additional adjusters at Henderson, Tenn., where it opened a temporary office Monday morning with Charles Dickert of the G. A. B. Atlanta office in charge. Of the losses in the Jackson area, the Henderson area accounts for between 500 and 600 averaging \$1,000 to \$1,500.

### Losses Light in Ala., Miss.

Tornado losses are light in Alabama. There are a few small losses in the Tupelo, Miss., area. Memphis has a few light, scattered losses. Moscow, Tenn., got off with about 100. Several additional adjusters were sent to take care of losses in the Moscow and Byhalia, Miss., area but losses were not severe, running between 100 and 200 and averaging about \$100.

Allowing for scattered claims, the best current estimate for the damage in the southeast is about \$1½ million on about 2,000 losses. The storm damage was spread over such a wide area that National Board decided against setting up a central disaster office. The board has assigned catastrophe serial No. 24 to losses resulting from the tornadoes.

The property and insurance loss in the storms were far overshadowed by the loss of life and injuries. There were more than 200 persons killed and more than 1,000 injured. The tornadoes did not strike any high valued districts and much of the damage was to properties of fairly flimsy construction. The devastation was complete in the path of the tornadoes, but as is usual with twisters, their path is defined clearly and whereas on one side of the street there may be a total loss, on the other there will be no damage whatsoever.

(CONTINUED ON PAGE 22)



## Reports N.A.U.A. to Present New Rating Approach to N.A.I.C.

### May Junk Permissible Loss Ratio, Hall Tells North Carolina Hearing

RALEIGH—W. D. Hall, actuary for National Automobile Underwriters Assn., told Commissioner Cheek during a public hearing here on proposed reductions in auto physical damage rates that N.A.U.A. expects to make a definite suggestion to National Assn. of Insurance Commissioners in June on a new rate-making approach designed to get away from the permissible loss ratio.

"What we are trying to do is get something that is flexible rather than rigid," Mr. Hall said. "We are hopeful we can bring out an approach to rate making that can be generally acceptable." In answer to a question from Mr. Cheek, he said he believed N.A.U.A. would have "a definite suggestion" by June.

#### Would Avoid Term

Auto physical damage rates in North Carolina currently are based on a loss ratio of 50%. Commissioner Cheek asked Mr. Hall what he thought the loss ratio generally should be and Mr. Hall said he believed it should "run between 50 and 53%." In the new rating procedure, however, "we want to avoid the term 'permissible loss ratio,'" he added.

Mr. Cheek indicated he had considered doing something about the 50% ratio but said he now will wait until after the N.A.U.A. makes its new proposal.

Mr. Hall at the hearing outlined rate changes proposed by North Carolina Fire Insurance Rating Bureau estimated to effect a premium reduction of \$1,491,225 annually. The filing calls for a 25% reduction in fire, theft and comprehensive on private passenger cars, a 25% reduction in fire rates on commercial local and long distance hauling, and a 25% increase in collision rates on truck-type tractors. No change was proposed in other collision rates.

The filing also contemplates numerous other changes. One of these would change the collision rate on private livery autos from twice the private passenger rate to one and one-half times that rate. Another would replace the three present auto dealer manual and endorsement forms with two forms,

with the change not expected to affect the rate but to provide more up-to-date coverage. Still another would increase the limit on garage keepers' legal liability from \$800,000 to \$1,500,000. Another would provide for a five-year policy on auto trailer homes, instead of the present three-year policy. And another would rescind a rule on single interest coverage requiring lien holders to pay double rates unless coverage was purchased on all cars they finance.

Commissioner Cheek previously has expressed concern because the single interest policy fails to protect the car buyer's equity. At the hearing, he told the rating bureau he would continue approval of the form for 90 days but desired changes to be worked out during that period to meet his objections.

Discussing the collision coverage, Mr. Cheek told Mr. Hall he was concerned because so many car owners are priced out of the market on it. He inquired if the companies would be interested in offering a stated amount policy, as an alternate to the all-or-none policy now used. Mr. Hall replied that he did not believe the companies would.

### Designate Cal. Storm Catastrophe

The windstorm in Sacramento and in the San Joaquin valley on March 14 has been designated catastrophe No. 23 by National Board for assignment of all losses in connection therewith. Preliminary estimates place the total insured loss at \$1,300,000 on about 8,000 losses. The average loss will run about \$160.

With two other fairly heavy blows in the state since Jan. 1, this gives California what are said to be more wind losses than in any similar period previously.

### Ky. Reciprocal with Other States on Countersigning

Commissioner Southall of Kentucky has issued a ruling calling for reciprocity on countersignature fees. Business written on a Kentucky risk by a non-resident agent in a state having a countersignature fee requirement henceforth will call for the same fee to paid to the Kentucky agent countersigning the policy.

All non-residents shall be responsible for compliance with the regulation, and all resident agents countersigning such business will be held responsible for reporting any violations of the regulation. The commissioner issued the order under the authority of Kentucky revised statutes 304.018 and 304.110.

### Centennial Enters Canada

W. Butchart of Hammond, B. C., has been appointed chief agent in Canada for Centennial, which has just been licensed in the dominion.

## A. L. Cobb Heads N.F.P.A. Slate

The nominating committee of National Fire Protection Assn., of which Kent H. Parker, Western Actuarial Bureau, is chairman, has announced its slate of candidates to be voted on at the annual meeting of N.F.P.A. at New York in June. Allen L. Cobb, Eastman Kodak Co., is nominated for president; T. Seddon Duke, Star Sprinkler Corp., 1st vice-president; John A. Neale, chief engineer of the National Board, 2nd vice-president. Hovey T. Freeman, president of Manufacturers Mutual Fire of Providence is up for reelection as secretary-treasurer.

R. E. Vernor, fire prevention department manager of Western Actuarial Bureau, is chairman of the board and is nominated to continue in that post. The nominees for directors are: J. E. Frederickson, General Motors; Frank D. Ross, general manager of Factory Insurance Assn.; Fire Chief Henry G. Thomas of Hartford; Warren J. Baker, manager of the technical department of Ins. Co. of North America, and P. A. Dannenman, Thomas A. Edison Corp.

The 1932 nominating committee has been selected with Roger H. Wingate, vice-president of Liberty Mutual Fire, nominated as chairman, along with R. J. Vanderbeck, Eastern Underwriters Assn., and J. B. McCullough, Motion Picture Assn. of America.

### Plans Progress for Meet of Insurance Accountants

NEW YORK—At the March luncheon meeting of Insurance Accountants' Assn. here, E. G. Crapser, vice-president of Pacific Fire, reported on plans for the conference and business show Oct. 22-24 at Skytop, Pa. These plans are progressing nicely, and a good deal of the space has been taken, including Remington Rand, I.B.M., Thomas A. Edison, Inc., Wheelock Corp., John S. Swift Printing Co., Diebold, Inc., National Cash Register and Recordak, Inc.

Plans also now are being formulated for the 1933 conference and business show in Philadelphia in the fall of next year.

Ralph J. Bondesen and Thomas Scott of Western Union discussed various forms of communication including desk facsimile for interdepartmental communication.

### New Cleveland Reciprocal

Vehicle Underwriting Co. of Cleveland has been incorporated by Thomas I. Lucci, Richard Fromson and F. K. Shaffer. It is understood that it is to be attorney-in-fact for Vehicle Insurance Exchange, a reciprocal backed by Calvert Fire. Vehicle Insurance Exchange has applied for a license in Ohio,

## Three New Officers Are Named by America Fore

American Fore group has elected three new officers.



G. R. Carey

George R. Carey, general counsel of the group, has been elected a vice-president also. Dr. S. J. Nilson, medical director, has been elected a vice-president in addition to his duties as medical director, and Walter U. Westcott, personnel director, has been elected a secretary in addition to his present

duties. Mr. Carey is a graduate of St. John's College of Law. He started with Fidelity & Casualty in the claims and legal departments, and transferred to the legal department of Continental in 1935 as assistant to Lamar Hill, vice-presi-



W. U. Westcott



Dr. S. J. Nilson

dent and general counsel. Following the death of Mr. Hill, he was associated with General Counsel T. J. O'Gorman, and upon Mr. O'Gorman's death in 1943, Mr. Carey was appointed general counsel.

### Nilson With Group Since 1916

Dr. Nilson, as medical director, works in the field of personnel health and with the underwriting departments of the companies. He was born in Sweden and came to this country in his early years. He took both his medical courses at Columbia University, graduating in 1912. In 1916, he became associated with America Fore as a medical adviser, and was appointed medical director in 1918.

Mr. Westcott is a graduate of Amherst College and Columbia law school. He was engaged in the general practice of law in New York City before joining America Fore in 1933 as assistant counsel, and became personnel director in 1949.

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Officers  
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has elected

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S. J. Nilson

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## Marine Definition Becomes Hot Issue in Mich.

### Department Leans Towards Idea of Extensive Modification

The Michigan insurance department has become interested in a controversy involving the definition of marine writing powers. It started when London Lloyds, through Canadian sources, wrote a policy for Detroit Institute of Cleaners & Dyers which bracketed the insurance on property and equipment of the insured with the property of the customer. This is prohibited to companies that are signatories to the marine definition, and there were some indignation sessions held by insurance people at Detroit who felt that their competitive position was weakened. Don Yocum, secretary of Planet, took the lead and outlined the problem in a letter to the Michigan department. He suggested the advisability, it is understood, of withdrawing the marine definition in Michigan. Then Harold Wayne, manager of I.M.U.A., wrote to the Michigan department strenuously opposing any such move.

#### Navarre Tells Views

In response to a question from THE NATIONAL UNDERWRITER on the attitude of the Michigan department in this matter, Commissioner Navarre replied:

"The discussions referred to in your letter were probably precipitated by a recent situation that developed in Detroit. Lloyds of London, through a Canadian broker, offered to the Dry Cleaners Assn. of Detroit, a single policy that included fire, extended coverage, burglary, bailee protection and transit perils.

"Under Michigan law, contracts with non-admitted carriers are permissible only when sufficient indemnity to protect a risk is not otherwise obtainable. Because the coverage afforded by Lloyds was actually obtainable in admitted companies, even though only by separate policies, I denied permission for placement of Lloyds proposal through any Michigan resident agent.

#### Attractive to Cleaners

"Many aspects of Lloyds proposal were particularly attractive to the dry cleaners. The consolidation of their insurance needs in a single form definitely seemed worthy of consideration. "Any possibility of similar consolidations is now virtually barred by the terms of the marine definition. There may have been great merit in defining and restricting the authority of fire insurers when the definition was adopted. In this era of multiple line legal authorization, I question seriously the need or desire for the definition.

"I am willing to consider the best judgment of underwriters as to whether consolidation of existing policies is sound. I am reluctant to impose any such restrictions by administrative fiat. "We are at present contemplating the following change in the status of the definition:

"(1) The definition and previous amendments would be in full force and effect for all fire insurance companies.

"(2) The definition would not be prescribed for so-called multiple line companies except that:

(a) Forms of coverage adhering to the definition would be regarded as 'inland marine' thereby defining the phrase included in the rate law.

(b) Forms deviating from the definition would class as multiple peril policies and therefore subject to rate regulation as a fire casualty class.

"You realize this is only a statement of our thinking, since any official action would necessarily involve a hearing of interested parties."

### Recovery Men's Dinner

NEW YORK—The Recovery Men's Forum will hold its first annual dinner May 8 here. Thomas T. Buchanan, vice-president and general adjuster of Aetna Fire, will speak on the public

relations aspect of recovery work. The attendance is limited to company and company sponsored personnel.

Robert B. Guest, Aetna Fire, is chairman of the forum and of the dinner committee. The latter also includes L. C. Pierce, Jr., Phoenix of Hartford; W. F. Belmont, Chubb & Son, and David Butterworth, Pacific Fire.

### Middle Department Change

PHILADELPHIA—Middle Department has taken the same action on commissions of selling agents cover as has been noted recently in other jurisdictions. The new rules prohibit cover-

ing commissions under contingent business interruption forms, substituting a new mandatory form in their stead.

The new form is modeled on gross earnings forms and may cover loss of commissions from insured peril at as many locations as desired. Each location must be described and a specific amount of insurance written. Coinsurance applies separately to each location. The rates are the same as for gross earnings forms at each location involved.

L. B. Kappelman and R. F. Gaudreau have joined **Chester & Hunter**, Wichita agency, as partners. The firm name remains unchanged.

# Security \* Strength Service



## UNITED STATES RESOURCES AS OF DECEMBER 31, 1951

Year Estd.		ASSETS			LIABILITIES		SURPLUS TO POLICYHOLDERS (Includes Capital)	
		Securities Deposited as Required by Law	Other Admitted Assets	Total Admitted Assets	Liabilities	Capital	Annual Statement Basis	Market Value Basis
1896	American & Foreign Insurance Co.....	\$ 452,107	\$17,686,540	\$18,138,647	\$10,896,346	\$1,500,000	\$ 7,242,301	\$ 6,730,735
1863	*The British & Foreign Marine Insurance Co. Ltd.....	1,048,814	9,853,702	10,902,516	6,124,814	500,000*	4,777,702	4,451,255
1911	Globe Indemnity Company.....	1,156,628	77,374,739	78,531,367	54,129,957	2,500,000	24,401,410	21,801,034
1836	*The Liverpool & London & Globe Insurance Co. Ltd.....	1,442,874	38,095,621	39,538,495	25,108,567	500,000*	14,429,928	13,169,274
1811	Newark Insurance Company.....	806,777	22,583,777	23,390,554	14,534,243	2,000,000	8,856,311	8,241,074
1891	Queen Insurance Company of America	858,756	58,713,282	59,572,038	36,912,021	5,000,000	22,660,017	20,798,809
1910	Royal Indemnity Company.....	1,851,401	84,057,985	85,909,386	59,730,370	2,500,000	26,179,016	23,547,513
1845	*Royal Insurance Company Ltd.....	1,388,380	43,937,489	45,325,869	28,933,751	500,000*	16,392,118	15,180,118
1896	Star Insurance Company of America....	463,571	18,675,078	19,138,649	11,473,300	1,000,000	7,665,349	7,106,313
1860	*Thames & Mersey Marine Ins. Co. Ltd...	664,208	5,889,099	6,553,307	3,574,667	500,000*	2,978,640	2,801,225
1832	Virginia Fire & Marine Ins. Company..	472,084	6,239,740	6,711,824	4,192,341	1,000,000	2,519,483	2,365,845

\*United States Branch. The amount shown under "Capital" is the statutory deposit required to transact business in the U.S.A.

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## ROYAL-LIVERPOOL INSURANCE GROUP

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## National Union Has Fine Report

National Union in its 1951 statement which comprised a report at the end of 50 years' operations, showed assets of \$50,801,886. This was an increase of \$1,874,622. Surplus to policyholders was \$15,292,803, which was an increase of \$551,428.

President W. A. Rattelman remarked that the results were affected by the increasing defense efforts and continued inflationary trends. However, the companies continued to show consistent gains "and every effort is being made to strengthen our position against the adverse effects of these unusual conditions."

The earnings amounted to \$2.97 per share after federal income taxes. This compares with \$3.17 the previous year. These earnings are stated without relation to the increase in premium reserve which amounted to \$2,271,331.

Total premiums of the National Union group were \$31,266,244 which was an increase of 15%. Premiums earned were \$28,994,913. There was an increase in fire and allied lines of 13%, automobile 18%, inland marine 5 and ocean marine

84. The loss ratio is 51 on an earned basis and expense ratio was 41. There was an increase of 4.5% in the consolidated investment income and net income after taxes was increased by 4.5% in spite of the increase in federal income tax rates. This was brought about by the increased use of tax free securities for investment purposes.

Mr. Rattelman spoke especially of the automobile experience. The loss ratio in the physical damage end was 54.9 which compares with 40% in 1950. This increase was due in part to rate reductions made during 1950, the full effect of which was not felt until 1951, but the principal cause was the continuing increase in accident frequency and in settlement costs.

The problems in the auto third party lines adversely affected the results of National Union Indemnity which had an over-all loss ratio of 58.7 as against 47.5 the previous year.

## Mont. Auto P.H.D. Rates Up

Rate changes which on balance produce an average increase of 12.6% became effective in Montana for comprehensive and collision coverage. This was the filing of National Automobile Underwriters Assn.

## Grider Retires; Sundstrom New F.I.A. Western Head

Harry L. Grider is retiring May 1 as manager of the western regional office at Chicago of Factory Insurance Assn., and is to be succeeded by Waldon L. Sundstrom. Mr. Grider and Mr. Sundstrom have comprised the top management team there since 1938 and Mr. Sundstrom moves into the position of top responsibility thoroughly prepared.

Mr. Grider is a Hoosier and in his earlier days was with the Stone, Stafford & Stone agency of Indianapolis. Then in 1918 he went with the old



W. L. Sundstrom



H. L. Grider

Western Factory Insurance Assn. at Cleveland. There was a period when he left to engage in the agency business again as vice-president of the Evarts, Tremaine & Flicker Co. of Cleveland but he returned to the association as Cleveland manager. He was called to Chicago in 1933 as assistant manager and has been the manager since 1938.

Mr. Sundstrom has been an F.I.A. man first, last and always. He started there as a boy at Chicago while attending school. He went on to Northwestern University. His span with F.I.A. is 32 years. During 1935 and '36 he was manager of the Michigan office and he has been assistant manager since 1938.

The company people will be hosts at a going away party for Mr. Grider April 29.

## North British Honors Sours

At the southern department field conference of the North British group, at New Orleans, W. G. Sours, who retired Dec. 31 as Mississippi general agent, was presented a wrist watch, suitably inscribed as a remembrance from southern department associates. U. S. Manager W. L. Nolen did the honors.

Mr. Sours' successor in Mississippi is his son, Charles M. Sours, who is special agent for the state for all companies in the group, with headquarters at Jackson.

## Dinner at Jefferson City

Missouri Supreme Court Commissioner Lou C. Lozier was principal speaker at a dinner at Jefferson City as part of the celebration of the 200th anniversary of mutual insurance.

John C. Stapel of Columbia, secretary of the Farmers Mutual Windstorm, was state chairman. More than 400 executives and agents of the state's 188 mutuals attended the dinner gathering.

## Bennett in Hagerstown Post

Kenneth G. Bennett, former special agent of North America at Baltimore, has joined Maryland General Insurance Agency at Hagerstown, Md., and has been elected vice-president of the agency. Morris B. Bassford is president of the agency.

## New Va. Local Board

Harrisonburg-Rockingham (Va.) Assn. of Insurance Agents has been organized at Harrisonburg, with C. G. Price, president; H. E. Shomo, vice-president, and R. Loring Cover, Jr., secretary-treasurer.

## Sell Free Enterprise With Every Policy, Randall Urges

Jesse W. Randall, president of Travelers, in an inspiring address at the mid-west territorial conference of N.A.A. at Milwaukee this week, told the agents they must make the most of their opportunity to sell free enterprise with every insurance policy. "You can do this," he said, "by reflecting your pride in the insurance business and your faith that it is the best safeguard of opportunity — the best guarantee of security that has ever been devised."

Insurance is becoming an even more dominant factor in the preservation of free enterprise, Mr. Randall said, and the agents are "key figures in this fight for survival."

In the past few years, Mr. Randall has made many talks in behalf of free enterprise before business groups, schools and insurance gatherings. He said if insurance is the keystone in the arch of the economic system, the agent is the keystone in the structure of the insurance business. "Every call that he makes, every prospect he sees, every policy he sells is a victory for private enterprise."

## "Big Brother Bureaucracy" Ready

Remarking that for 20 years the people have been voting away their freedoms at the polls, piece by piece, he said that "big brother bureaucracy is ready to move in on the slightest invitation, and is ready to control industry and underwrite the farmer, run the medical profession and take over insurance."

Insurance is more than a commodity and more than a service, it is a passport to freedom, Mr. Randall declared. It is the best guarantee available that the people will not be fooled by the sugar-coating of total welfare that covers the pill of state socialism.

He warned that a grocery salesman and hardware salesman do not have as much to lose as the insurance agent. If the government took over the grocery and hardware business, someone would have to be behind the counter; but the agent is uniquely a representative of private enterprise and would have no place in the socialist scheme. The agent would become a mere collector instead of being, as he is under the free enterprise system, an individual business man responsible for his own success or failure and limited by his own abilities and his own determination to succeed.

The socialist propaganda line has always been based on the "twisted use of two words: insurance and security," Mr. Randall said. "When the socialists speak of insurance, they do not mean the science of underwriting, the selection of risks, the law of probability, or principles of coverage. They are talking about blanket, gratuitous payment for all loss. It sounds easy, and its effect is persuasive. Who gets it? Everyone. Who pays for it? Everyone. Who administers it? Well, just leave that to us, they say. We'll set up the bureaus, hire the workers and the first checks will go out in the morning. That is the socialist dream of insurance and it just won't work."

## New Mutual Agents Body

Connecticut Assn. of Mutual Insurance Agents was organized this week at a meeting at Hartford, affiliated with Mutual Insurance Agents Assn. of New England. E. H. Everest of J. C. Bradley & Co., Hartford, was elected president and David J. Chase of Thompson & Peck, New Haven, secretary.

## Seawell Joins Irby & Co.

H. R. Seawell, Jr., state agent of National of Fire in Alabama, has resigned to become state agent for A. F. Irby & Co., Atlanta general agents. He will continue to service the Alabama field

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to sell more  
Accident  
Insurance

The surest way to sell more of *anything*—accident insurance, artichokes or automobiles—is to offer the best quality product possible, one better than most of your competitors'. That's what National of Hartford Agents get with our special, new "U-Write-It Plan". For instance:

1. The NATIONAL PROTECTOR ACCIDENT POLICY puts them in a competitively superior position.
2. They get *everything* needed to *understand* and *sell* Accident Insurance in our unique "U-Write-It Plan" kit.
3. Our "U-Write-It Plan" lets their prospects set their own coverages and their own premium . . . without high-pressure selling, confusion or wasted time.

Remember . . . 'most everyone is a prospect for Accident insurance. This means Dollars For You because Accident premiums build up steadily and *keep on* renewing year after year.

Our fieldmen, countrywide, are ready to show qualified agents the many advantages of the NATIONAL PROTECTOR ACCIDENT POLICY and the *new idea* for selling it—the "U-Write-It Plan".

It's designed *expressly* for Property Insurance Agents.



## NATIONAL OF HARTFORD GROUP

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## Gala Observance Marks Mutuals' Bicentenary

PHILADELPHIA—Several hundred mutual insurance leaders gathered here Tuesday to mark the 200th anniversary of the business. There was an attitude of pride in a common celebration and an atmosphere of confidence arising from tested success.

More than 400 were guests of Philadelphia Contributionship in its high-ceilinged, well-preserved quarters in the older section of the downtown business district, where J. H. R. Timanus, retired secretary, acted as host. More than 650 attended the banquet in the evening.

Contributing to the conviviality of the occasion were parties given by Towers, Perrin, Foster & Crosby, with President John A. Towers as chief host; by Booth, Potter & Seal, by J. T. Haviland of the Kemper group, and others. Mr. Timanus during the day received a telegram of congratulations from the League of Mutual Insurance Companies in Finland, signed by President Kurt von Hertzen.

### Many Events Shared with Public

Many of the events of the celebration were shared at least in part with the public. The anniversary committee installed a plaque in a wing of Pennsylvania Hospital designating it as the oldest building in the U. S. still standing to be insured against fire. It is 201 years old. The committee also participated in the radio show, "Philadelphia Story." There was a demonstration of old and new fire fighting in Rayburn Plaza.

Owen J. Roberts, former Supreme Court justice, in his banquet talk urged a voluntary, cooperative effort among nations to solve the international problems of today. "America's Town Meeting of the Air" originated in the banquet hall and Senators Capehart and Sparkman debated a timely subject, followed by several questions from the audience. The program was heard by many of the 30 state dinners marking the anniversary. J. Morgan Denison, secretary Mutual Assurance, second oldest mutual, presided at the banquet, with Charles J. Biddle, counsel of the Contributionship, as toastmaster.

### "Conference in Future"

From Philadelphia the center of interest in the mutual celebration shifted to New York where on Wednesday a three-day "Conference on the Future" commenced.

Outstanding leaders in several fields discussed their subjects at the conference and provided the insurance people views into parts of the world other than insurance. It was a fitting climax to a widely heralded and observed event.

In general, speakers delivered summaries of their papers and then participated in round tables at which representatives of insurance sought to learn how these matters influenced or could be used by their business.

Among those who spoke were Dr. Ralph H. Blanchard of Columbia; Florence R. Kluckhohn, Harvard University lecturer in social relations, on American women and American values; Frank W. Notestein, office of population research at Princeton, on population trends in the U. S.; Wayne Dennis, dean of the department of psychology at Brooklyn College, on psychology; Ralph W. Gerard, professor of physiology at University of Chicago, "from spirits to mechanism"; Louis B. Wright, director of the Folger Shakespeare library at Washington, American society 1752-1952; Louis N. Ridenour, physicist of Los Angeles, physical science and the future; Warren Weaver, director of natural sciences at the Rockefeller Foundation, probability and statistics; Dexter M. Keezer, director of the department of economics at McGraw-Hill Publishing Co., foundations of America's economic greatness, and Robert M. MacIver, professor of political philosophy at Colum-

bia University, two centuries of political science.

One round table on Friday will have as participants Dr. Blanchard, Mr. Keezer, Mr. MacIver, Franklin J. Marryott, general counsel Liberty Mutual; Thomas C. Morrill, director of research of State Farm companies, and Chase M. Smith, general counsel of Lumbermens Mutual Casualty. This is the round table on: Who will bear the burden of risk in America of the future?

Another panel that day will be on

some of the future's challenges to the insurance idea in America, participants being S. Bruce Black, president of Liberty Mutual; William H. Burhop, president Employers Mutuals of Wausau; Bowman Doss, vice-president Farm Bureau companies, and Charles E. Hodges, president American Mutual Liability.

### Utah Agents Set Dates

Utah Assn. of Insurance Agents will hold its annual convention Sept. 22-23 at the Newhouse hotel, Salt Lake City.

### N. J. "Right of Way" Pamphlet

The safety education bureau of the New Jersey division of motor vehicles has issued a pamphlet which has attracted attention among insurance men and others interested in traffic safety.

It is titled "Don't Be Fooled" and sets out graphically things every driver should know about right of way. The theme of the pamphlet is that the "right of way is something you never have but can always give, for safety."

### Rupert to G.A.B. in N. M.

Don R. Rupert, claims manager at Denver for Ohio Farmers group, has joined General Adjustment Bureau at Albuquerque as casualty adjuster. Mr. Rupert was with Ohio Farmers for six years in Colorado and Ohio and with Travelers Indemnity in Ohio for four years.

### Los Angeles "Day" Is June 4

Los Angeles insurance day has been set for June 4 at the Biltmore bowl.



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**Hartford Accident and Indemnity Company**

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## Investment Income as Rate Integer Is Big Zone 5 Topic

DALLAS—The controversial issue of using investment income as a third element in rate-making in fire and casualty insurance was brought into the open at the zone 5 meeting here of National Assn. of Insurance Commissioners. Company spokesmen promptly voiced their opposition.

The topic was the subject of the only formal address of the gathering and was submitted, along with statistical exhibits, by Charles K. Leslie, Jr., assistant casualty actuary of the Texas department. He expressed the hope his talk would be "a starting point for study."

Nearly 200 persons attended the sessions presided over by Graves of Arkansas, zone chairman.

Only five items on the heavy agenda were brought up for discussion, generally meeting with opposition. In brief, they were: A suggestion for extending hospitalization to cover convalescence in nursing homes, which A. & H. spokesmen said would be impractical; a suggestion to zone states for crop-hail coverage instead of using county or townships, which underwriters opposed as being unrealistic; opposition by spokesmen for National Assn. of Insurance Agents to issuing deductibles on automobile comprehensive coverage on the ground that there is no public demand for it; support of company practice in using restrictive endorsements for military personnel and students in auto liability coverage, and an expressed willingness by the business to review medical payments coverage.

### Gibbs Makes Farewell Talk

In a "farewell message," Joe P. Gibbs, Texas casualty commissioner who will retire March 31, expressed alarm over the "heavy hand of inflation, which is catching up with us," and urged his colleagues and the business to approach the problems realistically.

Mr. Leslie in his address argued that a third element in rate-making, in addition to losses and expenses, "should be the recognition under our free enterprise system of the right of profit on capital funds to a place of its own in the rate structure."

The address drew four rebuttals from business spokesmen, all in opposition. They were William Leslie, Jr., National Council on Compensation Insurance; Paul Benbrook, southwestern manager of National Bureau of Casualty Underwriters; E. M. Griggs, National Board, Chicago, and Ben Voth, Standard of Oklahoma.

William Leslie emphasized the companies' long-standing opposition to inclusion of banking aspects of the business in the rating process and called particular attention to the need of tak-

ing federal income taxes into consideration before reaching a profit figure. Mr. Griggs supported these observations. Mr. Benbrook called attention to the small profit—7%—made by companies in Texas on casualty lines other than workmen's compensation in the last 20 years. Mr. Voth said the investment profit factor would be a hardship on small companies.

In addition to Graves those attending were Sullivan of Kansas, N.A.I.C. president; Kavanaugh of Colorado, Laughlin of Nebraska, Apodaca of New Mexico, Dickey of Oklahoma, Taft of Wyoming, and Butler, Brown and Gibbs of Texas. Visiting commissioners from other zones were Martin of Louisiana, Murphy of South Carolina, Navarre of Michigan and Viehmann of Indiana.

## J. S. Day Joins Saval to Lend Aid in Large Risks

Maurice H. Saval, Inc. of Providence has set up an industrial and public

utility department to render special services to large risks. It is in charge of James S. Day. He will perform the same functions with the insurance companies that are under the Saval wing, they being American Universal of Providence and Newfoundland American of St. John, N. F.

His headquarters will be at 22 Battery-march street, Boston, and he will travel throughout the U. S. and Canada, dealing with utility company and multiple location risk managements and their brokers.

Mr. Day started with Sprinkler Leakage Conference, now known as Allied Lines Assn. and advanced until he was assistant to the New England supervisor at Boston. Then for five years he was with the improved risk department of New England Fire Insurance Rating Assn. He specialized in rating public utility risks in New England. For the past five years he has been with the insurance department of Ebasco Services, Inc. He is a navy veteran of the last war.



James S. Day

## Mehr and Cammack Authors of New Insurance Textbook

"Principles of Insurance," a new textbook written by Robert I. Mehr, in charge of the University of Illinois insurance curriculum, and Emerson Cammack, also of the insurance faculty, seeks to develop principles which can be used by the buyer in understanding any insurance contract or any insurance practice with which he comes in contact.

While intended primarily as a text for general insurance education or for students intending to enter insurance the book contains much of interest and value to business men in general. A section is concerned with planning for insurance needs. It presents planning problems in both life insurance and fire and casualty protection realistically from the point of view of the buyer, at the same time demonstrating the services which the professional insurance agent can offer to his clients.

## F.I.A. Has Annual Parley

At the annual meeting of Factory Insurance Assn. last week at New York, Felix Hargrett, Home, was elected secretary and Gilbert Kingan, London & Lancashire, was elected treasurer. F. D. Ross is general manager.

Elected to the executive committee were Aetna Fire, Commercial Union, Fireman's Fund and North America.

Mr. Ross gave a report on the experience in 1931, and said that F.I.A. conducted a record number of field inspections last year.

## Map Program for Buyers Convention

NEW YORK — American Management Assn. announces the program for its insurance conference to be held at Hotel Statler, New York, May 19-21. The session has been extended to 2½ days, ending with a luncheon May 21.

Subjects to be discussed are the influences of taxes on insurance programs, loss prevention as a function of insurance management, adequate insurance protection for traveling employees, experience with catastrophe medical insurance, lessons from case studies of losses from fire and boiler, business interruption, and crime and dishonesty insurance.

There will be panel discussions on analysis of excess and deductible property insurance and organizing the insurance buyer's job efficiently. The latter will include survey and analysis of risk, determination of insurable values, records and reports and loss and claim handling.

For the first time at an insurance conference, there will be a workshop exhibit with forms, bulletins and manuals used by many corporations.

## Hoosier Rally Nov. 17-19

Indiana Assn. of Insurance Agents has slated its annual convention for Nov. 17-19 at Indianapolis. This date coincides with that of the California meeting and thus the two state agent conventions that draw the greatest crowds will be running simultaneously this year.

## N. C. Women's Meeting Set

The annual meeting of North Carolina Assn. of Insurance Women will be held at Raleigh May 16-18. Mrs. Florence Iseley is general convention chairman.

## Glens Falls Revises Va., N. C. Setup

Glens Falls group has appointed Charles R. Riley as manager at Richmond, Va. He will have supervision of all operations in Virginia, and will be in charge of direct company operations in North Carolina.

Seibels Bruce & Co., managing general agents, will continue their operations for the Glens Falls in North Carolina as heretofore.

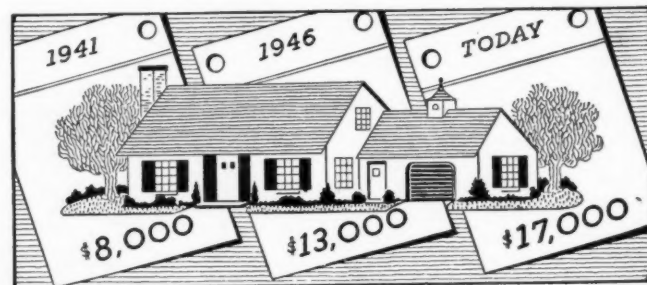
Robert O. Bortner, Charles E. Crissey and Harry W. Atkinson have been appointed assistant managers at Richmond. John R. Bourne, special agent, whose headquarters are in Raleigh, will continue to service direct reporting agents for fire and allied lines in North Carolina and in addition, will assist in general group affairs. Mr. Bortner, who was formerly assistant manager for the indemnity company at Richmond, will be in charge of automobile and casualty lines, and Mr. Crissey, formerly casualty special agent in the same office, will handle bonds and miscellaneous lines.

Mr. Atkinson was 14 years with Virginia Rating Bureau. For the past 4 years he has traveled Virginia and North Carolina as special agent for Atlas. He is replacing Thomas Clough, who is being transferred to Hartford.

## Name Wach in Auto Post

George E. Wach has been promoted to superintendent of the automobile department of Great American group in the western department. He succeeds Emerson R. Sherwood, who has resigned.

Mr. Wach has been in the western department for a number of years. He will be assisted by Robert C. McAvoy, who has been advanced to assistant superintendent of the automobile department.



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## Ohio Supreme Court Upholds Agent-Auto Dealer License Ban

COLUMBUS — The Ohio supreme court has upheld the Ohio department in its action refusing to license automobile dealers as insurance agents. In effect this holds constitutional the law which bars automobile salesmen from selling insurance in Ohio. The supreme court ruling was given on an appeal filed by Motors Insurance Corp., Avondale Motor Car Co. and others. All the lower courts had sustained the department's action.

The law provides that the principal use of a license to sell insurance, other than life insurance, shall not be to insure property a salesman or his employer sells.

## FCIC Indemnities Exceed Premiums by \$400,000

WASHINGTON—Secretary of Agriculture Brannan's report to Congress on the Federal Crop Insurance Corporation's 1951 activities, says that organization's programs operated in 810 counties with 343,210 contracts in force and provided about \$330 million protection.

FCIC plans to expand its activities in 1952 into not more than 877 counties. Premiums paid last year will amount to \$19½ millions, while total indemnities, paid and to be paid, will total about \$19,900,000. This represents a loss of about \$400,000, without taking into account any expense factor.

Brannan said the flax, tobacco and cotton programs each operated in 1951 with premiums exceeding indemnities. However, indemnities on winter wheat amounted to more than twice premium income. But these losses were partly offset by favorable experience on spring wheat "so that the total 1951 wheat indemnities will exceed the wheat premiums by only 5%."

The corn crop experience shows excess indemnities over premiums of 88%, owing to heavy frost damage. Under the multiple crop program indemnities for 1951 exceed premiums, for the first time in four years. Combined results for all counties show 1951 indemnities exceeding premiums by about 28%. Edible dry bean indemnities exceeded by three times total premium income in 29 bean insurance counties.

In Polk County, Fla., only county where citrus crop coverage was undertaken by FCIC, last year's premiums were \$81,500 with no losses reported to date.

For the four years 1948-51, combined loss ratio in all programs was 94.

## Royal-Liverpool Top Men Gather at White Sulphur

Royal-Liverpool held a conference of its regional managers and other key personnel from throughout the county at White Sulphur Springs, W. Va., this week.

## \$1 Million Loss in N. J.

The insurance loss from the fire that destroyed the old Paragon movie studio at Fort Lee, N. J., may run as much as \$1 million because of the high value of stage and television show sets stored in the large building. There was about \$103,000 insurance on the building itself, a structure almost 50 years old, half of which was two stories and the remainder of which was a studio.

At one time, in the early days of motion pictures, movies were made in the building by D. W. Griffith, Samuel Goldwyn and others. But in latter years it had been used for the making of TV movies and to store sets for Theatre Guild, the Fred Waring and Ellery Queen TV shows, etc. Fred Waring is reported to have had \$150,000 worth

of sets in the building. At the time of the fire sets for "Shuffle Along," a revival of a 1921 musical comedy, were under construction, and about 75% completed. The building had been recently renovated.

Some inland marine policies will be involved in the set losses.

Don Christie is a new staff adjuster with Underwriters Adjusting at Topeka. Vincent Recereto is joining Western Adjustment there in a similar capacity.

## Start Boom for Butler for High N.A.I.C. Place

A movement is getting well under way in behalf of George Butler, life insurance commissioner of Texas and chairman of the board of insurance commissioners of that state, for election as chairman of the executive committee of National Assn. of Insurance Commissioners in June. This movement is said to have gained much strength during the zone 5 meeting at Dallas.

## Hint FTC Intends to Drop Inland Marine Question

WASHINGTON—Last week the file or report on federal trade commission investigation of inland marine matters was being passed around among members of the commission, with indication that nothing would be done about it. FTC began looking into this field some time ago when it received complaint about alleged "double insurance" of fur coats, etc.

An Advertisement similar to this appears in SATURDAY EVENING POST, March 29, and in NEWSWEEK, April 7



"Benjamin Franklin selling his ballads in the streets of Boston." A mural painting by Charles E. Mills. Courtesy of Franklin Technical Institute, Boston.



## What of tomorrow?

Benjamin Franklin could apply his vast mind to almost any subject . . . from a treaty to a type-face . . . from a new home comfort to an old home truth. As an expert at living, he gave us his counsel: "Never leave that till tomorrow which you can do today."

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## Price Johnson Heads Texas Assn. of General Agents

AUSTIN — Price K. Johnson of Cravens, Dargan & Co., Houston, was advanced to president of Texas Assn. of Managing General Agents at its annual convention here. Other new officers are: Vice-president, Erle J. Patrick, T. A. Manning & Sons, Dallas, and secretary-treasurer, J. O. Smith, Jr., Trezevant & Cochran, Dallas.

The association decided to invite members of the Louisiana and Arkansas associations of general agents to a joint meeting at Shreveport at a date to be

fixed later. It also decided to hold a special party for officers of local exchanges at the annual convention of Texas Assn. of Insurance Agents at Dallas May 15-17.

## Women Hear Field Men

The program for Insurance Women of San Antonio was provided by Alamo Field Club, with George J. Henry, Royal-Liverpool, president of the Field Club, in charge. The film, "These Are the Facts," was shown by R. H. Bryson, special agent of Royal-Liverpool. Mr. Henry explained the purpose and activities of the field clubs.

## One-Write Form Widely Accepted

The new Louisiana style one-write fire policy has been accepted in all jurisdictions except the Pacific Coast, New Jersey, New Hampshire and Texas. There is a bill in the New Jersey legislature that would, if it passes, permit the form.

Agents are enthusiastic over the increased ease of handling the policy and the consequent savings, and insurers are highly satisfied with the savings that have been accomplished as a result of the policy. Promotion of the form has had the special attention of the National Board committee on the standard fire insurance policy, which is headed by Leonard Peterson of Home.

The Pacific Coast is the only area where the regional organization has not pushed the adoption of the form. There, action is still in the formative stage.

### Send Questionnaire

A questionnaire was sent out by a subcommittee of Fire Underwriters of the Pacific to 59 offices on the new style policy. Of the replies received, 38 voted no, 11 yes, on the question, do you favor adoption of the Louisiana type policy and elimination of the dwelling policy in this territory? To the question, do you favor adoption of the proposed policy and retention of the dwelling policy, six answered yes and 21 no. Do you favor designing a policy format locally that would generally satisfy the desire for uniformity? Yes, 31, no, two. Is your office system adaptable to the recommended daily report? Yes, 12, no, 11. Do you feel the dwelling policy should be retained? Yes 24, no, 0.

The subcommittee noted that in Western Underwriters Assn. territory producers had enthusiastically accepted the new style policy. However, judging by returns on the questionnaire, management in the Pacific Coast territory does not feel similar widespread acceptance of the policy would be received there, the subcommittee reported. It further noted that local uniformity is shaping up on the coast at this time. At least 29 company groups presently use policy formats virtually identical as to the context of the first page and identical as to the mechanical spacing of the first page of the policy.

## Mich. Department Funds May Be Materially Reduced

Michigan department officials fear the legislature's emphasis on economy, induced by a mounting general fund deficit, will disrupt Commissioner Nivarre's reorganization and expansion program and may actually result in some curtailment of services.

The house ways and means committee's version of the appropriation bill would, if adopted, result in cutting departmental personnel by some 7% or 8%. By reducing provision for number of employees and classes, as of July 1, it is feared that some serious curtailments must follow. No provision is made in the amended bill, as an instance, for mathematical work on rate regulation.

Even the primitive quarters in which the department is now housed, due to the state office building fire of February, 1951, would be reduced under a provision cutting by 50% the allowed rental to Michigan State College for the Quonset hut type buildings now occupied by the department.

## Mutuals' Dinner at S. F.

Northern California mutual men observed the 200th anniversary of mutual insurance in the U. S. with a banquet at San Francisco, attended by 225 including a number of invited guests. W. Parmer Fuller III, president of San Francisco Chamber of Commerce, was the principal speaker.

## CHICAGO FIRE

## Loss to High Value Precision Tools Is Held at \$500,000

What could have been one of Chicago's greatest fire losses was held to an estimated damage of \$500,000 to valuable precision instruments being displayed at the International Amphitheater in connection with the American Society of Tool Engineers Industrial Exposition.

The insurance loss is expected to be somewhat below the \$500,000 figure. The fire started from unknown causes in the south wing of the second floor and was contained to approximately 7% of the exhibit area. The machines on exhibit, many of which were testing machines of an experimental nature, were of extremely high value and some estimates put the total exhibit value at from \$10 million to \$20 million. Some of the damaged machines were of foreign make and in some cases repair parts are not domestically available and will have to be imported, adding considerably to the loss cost.

### Fire Is Contained

A favorable set of circumstances helped contain the fire. While paper decorations left from the recent automobile show spread flames, the sprinkler system prevented greater damage. Perhaps the most important containing feature was the fire protection drop cloth which separate the booths. Because of the intense heat, though, even some of these were burned through. In one booth a heavy steel connecting rod was bent out of shape by the heat. The fire department's quick response also was credited as a saving factor. Fire department trucks did not even pause to open the front gate but burst right through.

Several exhibition booths were affected, with the principal losses suffered at the booths of Eastman Kodak Co., International Harvester, Pratt & Whitney and Carl Zeiss, camera manufacturer. Most of the expositions were covered under a transit policy with an exhibition rider. Some, however, were insured under inland marine floaters.

Adjusters were on the job shortly after the fire was extinguished and made available helpful information as to proper care for machines affected by water and fire. It will be some time before all losses can be adjusted since many machines will have to be returned to the factories for closer examination.

## Reinsurance Subcommittee of N.A.I.C. to Meet

Commissioner Maloney of California, chairman of the reinsurance subcommittee of N.A.I.C., has issued a call for a meeting at the offices of the association at Chicago April 14-15. The meeting will give further consideration to credits in financial statements of ceding insurers arising out of sliding scale commission contracts and a proposal of North America that a special loss reserve be required for excess of loss reinsurance to distribute underwriting profits and losses from such business more evenly over a five-year period.

## Okla. Speakers Announced

Speakers announced for the annual meeting of the Oklahoma Assn. of Insurance Agents May 16-17 at Tulsa, include Maurice G. Herndon, Washington representative of N.A.I.A.; Oscar Beling, superintendent agency management Royal-Liverpool; Charles T. Evans, assistant to president Arkansas Power & Light Co., Little Rock; Louie E. Woodbury, Jr., immediate past chairman Southern Agents Conference, and Dave R. McKown, Oklahoma City, state national director for Oklahoma.

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## London Annual Figures Show Gains

Assets of London Assurance at Dec. 31 amounted to \$20,044,177, an increase of \$1,668,907 and surplus to policyholders was \$7,618,505, an increase of \$547,163. London is marking its 80th anniversary of operations in this country. The 1951 statement covers the operations during the first full calendar year under the direction of Walter Meiss as U. S. manager.

Premiums written were \$9,394,456, an increase of \$1,139,226 and there was an underwriting profit before federal income taxes of \$237,040.

The ratio of incurred losses and loss adjustment expenses to net premiums written was 48.79 as against 52.62 the previous year; ratio to premiums earned was 53.99 as compared with 57.80 and general operating expenses, excluding federal income taxes and general operating expenses incurred, to net premiums written were 39.03 as against 39.38.

### Manhattan F. & M. Showing

Assets of the affiliated Manhattan F. & M. were \$6,287,187, an increase of \$589,000, and surplus to policyholders was \$2,480,712, which was an increase of about \$170,000. There was an underwriting profit of \$44,250, despite a 15.46% increase in premiums which totaled \$2,910,755.

The ratio of incurred losses and adjustment expenses to net premiums written was 43.71, and to net premiums earned was 50.01. General expenses incurred including taxes to net premiums written were 42.15.

Mr. Meiss, in releasing the figures, expressed criticism of the rate regulatory pattern. The all-industry rating laws, he said, "provide little opportunity for the exercise of the judgment factor, an essential if rates are ever to be reasonable and adequate."

"Present rating laws and regulations place too much emphasis on cold statistics and too little on underwriting judgment or trends, and place the business in a strait jacket. Until rates give proper weight to the trend factor and contain a sufficient loading for expense and contingency, the business will operate at a serious disadvantage."

"It is doubtful whether belated rate increases recently granted constitute more than emergency relief. Rates based on past underwriting experience, with a considerable lag in the statistics, leaves the companies a jump behind the level of claims costs at the time rates are promulgated and they fall farther behind before the full effect of the rates is felt."

## Hit Snag in N. Y. on Use of Certificate with Pay Plan

The New York insurance department has indicated that regulation 21, issued by Superintendent Pink in 1942, is applicable to renewal certificates to be used in connection with the annual renewal plan. This plan only recently was authorized for use in the state.

New York Fire Insurance Rating Organization suggested a form of certificate. This did not fully meet the specifications of the regulation. Also, many of the renewal certificates currently in use fail to meet those specifications.

N.Y.F.I.R.O. is now considering a proposal that extension of coverage under the annual renewal plan be expressed by an endorsement form rather than a certificate, on the ground that such an endorsement, if it could be developed and filed, would simplify the procedure. There is also being considered the idea of securing uniformity between installment payment of premium plans and the annual renewal plan as to percentage of annual premiums to be charged for renewal.

Regulation 21 was issued during the time of L. H. Pink. It calls for a certificate 8 1/2 x 7 inches in size minimum

and one that has the general appearance of a fire insurance policy. It calls for inclusion of the consideration, a statement that it is subject to all of the agreements, stipulations, etc., plus being subject to any additional endorsements applying during the renewal period, location of property, description of premises, etc., etc.

Fire Insurance Rating Organization of New Jersey has issued rule 59 1/2 covering the installment premium plan, which was the only one of the two adopted in that state. This contains general policy writing instructions, illustrations of how to figure additional and return premiums, etc.

## Fire Rate Reductions Announced in Alabama

Superintendent Longshore of Alabama has announced a fire rate reduction effective April 15 which he said will amount to \$956,000 a year. This is in addition to fire insurance rate reductions of \$1,943,000 the past 18 months.

Most residences and mercantile properties in the state will be affected, as well as numerous other classes.

Harold P. Means has bought the agency of Frank H. Thompson of South Bend, Ind., who died last January and has moved it to his office.

## Mutual Agents Plan for Midyear Rally May 12-14

National Assn. of Mutual Insurance Agents will hold its midyear meeting at Colorado Springs, Colo., May 12-14. This will be the first meeting the group has held west of Chicago.

Speakers at the gathering will include N. C. Flanagan, vice-president of Lumbermens Mutual Casualty; Claude P. Coats of Ft. Worth, a widely known mutual agent; Ralph W. Carney, Wichita, an executive of Coleman Co., Inc., and Andrew S. Beshore of Harrisburg, Pa.

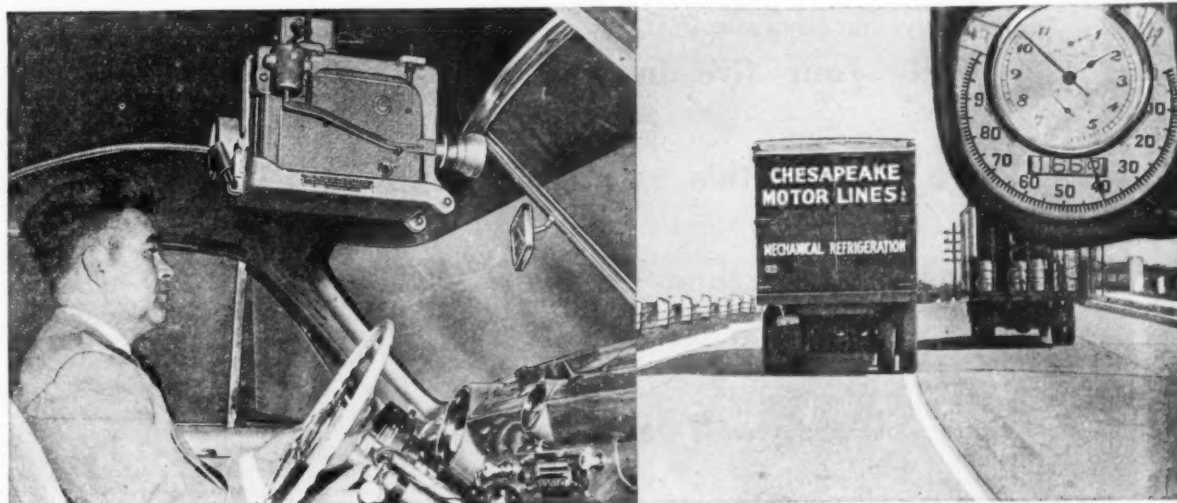
## Markel motor carrier coverage

*gives you a top renewal ratio*

### WITH NO SERVICE HEADACHES THANKS TO MARKEL MEN LIKE CARL WATSON AND HIS "CAMERA CAR"

Over Carl Watson's head you see the famous Markel Patrol Car Camera used to check over-the-road performance of our insured's drivers. The inset shows what the camera gets: including the exact photo of speed, distance and elapsed time as it happens. There are no arguments against this evi-

dence on film when Markel Safety Engineers talk with drivers. Result? Drivers, who know they are under observation, drive safely. Policyholders enjoy a lower loss experience which reduces premiums.



*This is Markel service in action!  
It pays off for Markel agents  
with a top ratio of renewals*

Successful agents make Markel the greatest company of its kind in the world. Our agents are successful because Markel-Men like Carl Watson and hundreds of other safety engineers like him do a complete service job. MARKEL AGENTS HAVE NO SERVICING HEADACHES! They spend their time on profit-making production! Markel Service offers you a source of untapped profits in bus and truck insurance, if you are an alert career agent with an eye to the future. Write for details.

- MARKEL AGENTS OFFER TO THEIR PROSPECTS:**
- 24-HOUR ENGINEERING SERVICE ALONG INSURED'S ROUTES
  - DAY AND NIGHT CLAIM SERVICE
  - Effective accident-prevention program at no cost to insured, including:
  - SAFETY MEETINGS FOR DRIVER PERSONNEL
  - LOWER PREMIUMS BASED ON LOSS EXPERIENCE
  - RESEARCH PROGRAM ON SAFETY METHODS AND DEVICES
  - MECHANICAL INSPECTION OF ROLLING STOCK
  - NON-PROFIT WASHINGTON BUREAU FOR ASSURED'S USE
  - HIGHWAY DRIVER-CHECKS BY EXCLUSIVE CAMERA-EQUIPPED PATROL CARS
  - AWARD SYSTEM FOR SAFE DRIVERS
  - TRAFFIC-HAZARD REPORT SERVICE
- NO RISK TOO SMALL—FLEET SIZE OR SINGLE UNIT OPERATION**

**MARKEL AGENTS HAVE AVAILABLE TO THEM  
A 10 POINT TESTED SALES AND PROMOTION PLAN  
PLUS THE SERVICES OF 36 REGIONAL OFFICES.  
MAIL COUPON NOW—YOU NEED NOT BE A SPECIALIST.**

Markel Service, Inc., Richmond, Va., Dept. **NU 3-27**  
GENTLEMEN: Please send me complete details on Markel Service.  
I am interested in selling this coverage.

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HOME OFFICE:  
RICHMOND, VA.



Look for this symbol of safety  
on America's trucks & buses

## MARKEL SERVICE INC.

"ELIMINATES THE CAUSE TO ELIMINATE THE ACCIDENT"

Exclusive Underwriters for the American Fidelity & Casualty Company, Inc.,  
the largest stock company in the world specializing in motor carrier coverages.

## Travelers Fire Names Ruehl, Lunden to Higher Posts

Arthur C. Ruehl has been appointed assistant secretary of the western department and David A. Lunden assistant secretary of the southern department of Travelers Fire and Charter Oak.

Mr. Ruehl joined Travelers in 1929, after being with General Inspection Bureau, as special agent at Minneapolis and became assistant manager there in 1937. He was named associate manager at Houston in 1941 and became manager there in 1944. He was appointed assistant secretary of the southern department at the home office in 1947.

Mr. Lunden joined Travelers in 1925 and has been an examiner, chief examiner and chief underwriter in the south-

ern department. He was 10 years with Starkweather & Shepley and the Rhode Island; with Queen in Atlanta, a loss adjuster with New York Board and had his own brokerage business in New York City.

## Hendricks Corp. Moves

Hendricks Engineering Corp. of Chicago is moving its head office from 6544 Sheridan Road to 1791 Howard Street. For many years its offices were in the Board of Trade building there. The firm provides nation-wide inspection service on all types of mercantile, industrial and manufacturing risks including consulting service on all fire protection problems.

Some 60 members of Iowa Fire Prevention Assn. conducted a two-day inspection of Cedar Falls.

## Pays Claim Under Utilities Rider, Recovery Barred

Colorado supreme court has ruled that insurer was not entitled to recover the amount spent in settlement of a claim covered because of attachment of a public utilities rider to a truck policy since neither was a judgment obtained against insurer by the injured party nor was there evidence that insured's negligence caused the accident. The case was Employers Mutual Casualty vs. Nicholas, 37 CCH (Automobile) 873.

Employers Mutual had issued to Nicholas a liability policy on use of his Dodge Truck. He later acquired a Ford truck and applied to public utilities commission of Colorado for license to operate as a common carrier. In order to comply with the law, it was necessary for him to secure a rider to his existing policy under which the insurer agreed to pay any final judgment against insured for the operation of any motor vehicle, but retained the right to recover from insured all settlements which it would not be obligated to pay under the policy independent of the endorsement.

While operating the Ford truck, assured was involved in a collision with an auto driven by one Howell, who made claim for personal injuries and property damage. The insurer eventually effected a compromise settlement of \$1,250 with Howell, and sought reimbursement from defendant who denied any liability.

The court said that the insurer offered no evidence to show that assured was liable to Howell. By the rider attached to the policy, the company agreed to pay any judgment recovered against assured arising out of operation of any motor vehicle, the court said, but no such judgment was obtained. Had one been entered, the court continued, it would of necessity have established negligence and liability to Howell.

The insurer alleged that because under its original policy it had the right to settle any claim in any manner it deemed expedient, it had the authority to settle Howell's claim. The court said this was true had the accident occurred while defendant was driving the Dodge truck, but no claim for recoupment could devolve on defendant unless it was shown that he was liable to the third party claimant by reason of his negligence. The court said that assured had neither expressly nor impliedly approved the settlement.

## Revise Pa. License Setup

Commissioner Leslie of Pennsylvania has announced changes in the procedure for issuing brokers' licenses. Hereafter, the department will be able to issue renewal brokers' licenses on the day following receipt of applications. Request for certification of the authority of brokers will be completed and issued on the date of receipt.

The department has discontinued publication of its brokers' bulletin, and has made arrangements for publication of licensed brokers by American Underwriter of Philadelphia and United States Review of Philadelphia, the department making available daily the names of brokers licensed for publication in those magazines. The changes will result in a saving to the department of \$8,000 annually.

GEORGE BREDBERG, manager at Kansas City for Western Adjustment, died at Research hospital Tuesday at the age of 56. Mr. Bredberg, who was a past most loyal gander of the Heart of America Blue Goose, introduced the entertainers at a Blue Goose luncheon Tuesday. He felt ill shortly afterwards and left before the program was over. He had been with Western since returning from service in the first war. He was a former president of what is now Santa Fe Hills Country Club and was past president of Kansas City Golf Assn. He was commander of his American Legion post in 1936.

## To Require Franchise Fee for Michigan Insurers

LANSING, MICH. — A bill to require payment by Michigan-domiciled insurers of a franchise fee based on their assets, is up for final passage in the senate. Excluded from the general act, however, if it is passed, will be the "non-profit" medical care service corporations. A new bill has been introduced to fix their fee schedule at a lower rate.

The tax rate in the main bill is 5 mills on capital and surplus, with a formula under which the amount of fees is based on a ratio of capital assets to business done in Michigan but with a 15% floor on which the mill tax would always be paid. The payment formula for the service organizations is on the basis of 1 cent per "policy" or service contract written, with a ceiling on the total fees paid.

## Sunday Night Festivities

At the dinner for convention speakers and other dignitaries Sunday, J. L. Ashton of Milwaukee, chairman of the Midwest Territorial Conference, presided in gracious style. He introduced everyone in the room with skillful touch and was applauded for this performance. A short talk was given by J. F. Van Vechten, president of N.A.I.A., who said that despite the demands it made on his time he has undertaken to serve in an important way with the Ohio Republican finance committee.

Mr. Ashton went out of his way to pay his respects to John C. Harding who is retiring as executive vice-president in charge of the western department of Springfield F. & M. Mr. Ashton spoke feelingly of his relationship with Mr. Harding and with Springfield. He said that he had invited two Springfield F. & M. executives to the dinner, in deference to Mr. Harding, they being M. E. Peterson and Roy Blomgren. The Leedom, O'Connor & Noyes agency of Milwaukee, which is Mr. Ashton's organization, has represented Springfield ever since the founding of the agency in 1873.

## Want Canada-Wide Bureau

TORONTO, ONT.—Ontario Insurance Agents Assn. has sent to local associations a letter asking for support in a movement aimed at establishing nation-wide rating bureaus. The letter also suggests that agents insist on uncontrolled commissions, to be determined solely by the agent and the individual companies.

The letter notes that the Canadian Underwriters Assn., the only rating bureau in Ontario which requires member companies to abide by its rates and forms, is beset with increasing costs and a decreasing of volume of business written by member companies. The letter refers favorably to a proposal made by the British Columbia association asking that rating bureaus be opened to all stock companies and any member company be permitted to file a deviation on a percentage basis from the bureau rates.

## Many Increases Reported

Lumbermen's Mutual of Mansfield in its new statement reports assets of \$12,211,050 as against \$10,616,671. The policyholders surplus is \$3,966,642 which is an increase of about \$700,000. Net premium income was \$7,581,670 or nearly \$1 million more than the previous year. Losses incurred were \$2,350,974, giving a ratio of incurred to earned 34.78% and the underwriting expenses to written were 35.35%. President C. E. Nail in his message, said that the new home office building now under construction, it is hoped, will be ready for occupancy in June or July. It will represent an investment of more than \$1 million.

Miss Maebelle F. Lewis has purchased the agency of the late R. W. Wortman at Defiance, O.

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Progressive Agency Company

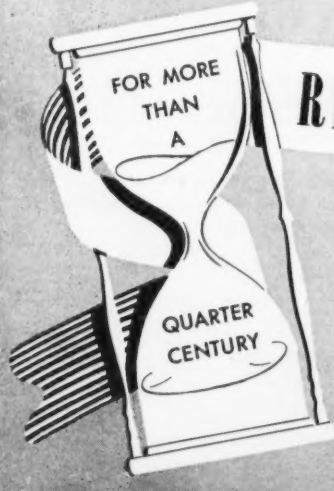
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# REINSURANCE

## FRANK BURNS

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## State Farm Leaders' Event Draws 750 to Chicago

Nearly 750, including wives from all over the nation, attended the three-day meeting of the 1931 Leaders Club of the State Farm companies at the Edgewater Beach Hotel, Chicago. The various producer awards were made by R. P. Mecherle, president of the auto company; M. G. Fuller, president of the life company; T. F. Campbell, president of the fire company; H. E. Curry, vice-president and actuary; M. C. Ackland, regional director; A. H. Rust, executive vice-president; Henry Keller, Jr., director of agency training and education; F. B. Coleman, vice-president claims; Chris E. Harpster, supervisor of agency training and education; T. C. Morrill, director of research and W. H. Mecherle, director of sales promotion.

The entire second day of the program was devoted to sight seeing. Many were taken to Bloomington for a visit to the head office. Cecil Brown, news commentator, addressed the banquet that evening.

Participating in a managers' forum were D. M. Paul, Washington, D. C.; W. E. D. Moore, Oak Park, Ill.; E. W. Holm, Mason City, Ia., and E. A. McLaughlin, Belleville, Ill.

At the final session, A. W. Tompkins, agency vice-president saluted the leaders and a number of leading local agents spoke.

## D. of C. Election in May

WASHINGTON—President Schinnerer of District of Columbia Assn. of Insurance Agents has appointed a nominating committee headed by V. Manning Hoffman, immediate past president to report at the April meeting of the trustees. Election is scheduled for May meeting. Mr. Schinnerer will represent the association at the mid-year meeting of state national directors of N.A.I.A. at Denver.

The association reports National Bank of Washington, which is controlled by United Mine Workers of America and handles deposits of much of the multi-million UMWA welfare and retirement fund, "specializes in offering its insurance financing services, recognizing qualified insurance agents and protecting their interests."

## Hartford Fire Roundup

Hartford Fire is holding its western field conference at the Edgewater Beach Hotel this week closing with a banquet Thursday. The group numbers about 160. Vice-president Charles H. Smith is in general charge. The head office delegation consists of President Charles S. Kremer, Vice-president James Hullett, Assistant Secretary William T. Bissett and Ernestine Robin, editor of the Hartford "Agent."

## Farm Bureau N. H. Meeting

The Farm Bureau companies held New Hampshire agents' conference at Concord March 26. Speakers included Commissioner Knowlton; F. N. Clarke, motor vehicle commissioner; Robert W. Upton, Concord, company counsel; Perley I. Fitts, commissioner of agriculture.

A similar meeting is being held in Maine Friday.

## Northern Field Roundup

NEW YORK—The field staff of Northern Assurance will hold its round-up here the full week of March 31. Officers from the home office who are participating in the program include Earl D. Patton, U. S. manager; Howard C. Stocker and R. C. Angus, assistant U. S. managers; R. B. Davis, A. H. Wishard, G. S. Harding, Frank G. Howard, and Stanley Clausen, secretaries; H. V. Carlier and C. F. Steers, assistant secretaries. From outside the organization, Donald B. Sher-

## Fete John Ashmead on 25th Year



John Ashmead, secretary of Phoenix-Connecticut, on his 25th anniversary with the company was feted by John A. North, president, and George C. Long, Jr., retired president, and by friends and associate members of the Quarter Century Club.

Shown here, from left, are A. C. Knox, secretary; C. H. Goslee; C. A. Snow, vice-president; D. J. McCarthy, comptroller; Mr. North; W. Smith, secretary; Mr. Ashmead, Mr. Long, Miss Mabel Heise, C. H. Latham, Jr., secretary; Mrs. R. A. McKinney.

Mr. Ashmead joined the company in 1927 as a conflagration engineer. Before that he was with the National Board as an engineer. During the first world war he served as an army engineer. In 1936 he was appointed advertising manager, became a general agent in 1941, an assistant secretary in 1945, and secretary in 1951.

wood, general adjuster of National Board, and J. H. Germain of Factory Insurance Assn. are scheduled to speak. About 40 members of the field staff will be on hand.

## N. Y. Square Club Elects

Richard C. Evers, underwriter for Crum & Forster, has been elected pres-

ident of Insurance Square Club, New York, succeeding William L. Kick, Fireman's Fund, who becomes chairman. Vice-presidents are Victor T. Ehre, assistant secretary Lumbermens Mutual Casualty, and E. J. Thomson, underwriter of Phoenix of Hartford; treasurer, G. W. Graham, Hartford Fire, and secretary, J. S. Russell of Whitehill agency.

# REINSURANCE

## FIRE and ALLIED LINES

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INTER-OCEAN  
REINSURANCE  
COMPANY  
CEDAR RAPIDS, IOWA

## Convention Dates

March 31, Buffalo Insurance Day, Hotel Statler.

March 31, Uniform Accounting subcommittee of N.A.I.C., Commodore Hotel, New York.

March 31, Insurance Advertising Conference, spring meeting, Roosevelt Hotel, New York.

March 31-April 3, N.A.I.C. blanks committee, Hotel Commodore, New York.

March 31-April 1, N.A.I.C. zone 2, Hotel Roanoke, Roanoke, Va.

March 31-April 2, Far West Agents Conference of N.A.I.A., San Francisco.

April 6-8, Eastern Territorial Conference of N.A.I.A. and New Jersey Agents midyear, Haddon Hall hotel, Atlantic City.

April 7, Insurance Federation of Illinois, annual luncheon, Palmer House.

April 7-9, L.I.A.M.A., A. & H. spring meeting, Drake hotel, Chicago.

April 15, Chicago Insurance Day, Conrad Hilton hotel.

April 16-18, N.A.I.C. Rates and Rating Organization Committee, Chicago.

April 23, Rhode Island Agents, mid-year, Sheraton-Biltmore hotel, Providence.

April 7-8, Conference of Mutual Casualty Companies, management conference, Greenbrier hotel, White Sulphur Springs, W. Va.

April 7-10, Western Underwriters Assn., annual, Greenbrier Hotel, White Sulphur Springs, W. Va.

April 18-20, Assn. of Insurance Attorneys, annual, Kansas City, Mo.

April 23-24, Minnesota Agents, mid-year, Hotel Nicolet, Minneapolis.

April 24-25, N.A.I.C. zone 3, Long Beach resort, Panama City, Fla.

April 28, Rhode Island Agents, mid-year, Sheraton-Biltmore Hotel, Providence.

April 28-29, Zone 4 of N.A.I.C., Sheraton-Cadillac Hotel, Detroit.

April 28-30, Rocky Mountain Territorial Conference of N.A.I.A., and mid-year meeting of N.A.I.A. National Board of State Directors, Cosmopolitan Hotel, Denver.

May 1-2, Independent Insurers, regional meeting, Savery hotel, Des Moines.

May 1-3, North Carolina Agents, annual, Carolina Hotel, Pinehurst.

May 7-8, Independent Insurers, regional meeting, Neil House, Columbus, O.

May 7-9, Iowa agents, annual, Hotel Des Moines, Des Moines.

May 7-9, Louisiana agents, annual, Edgewater Gulf Hotel, Edgewater Park, Miss., and Hotel Markham, Gulfport, Miss.

May 12-15, National Assn. of Mutual Insurance Agents, mid-year, Broadmoor hotel, Colorado Springs.

May 13-14, Kansas Fire Underwriters Assn., annual, Lassen hotel, Wichita.

May 15-17, Texas agents, annual, Adolphus Hotel, Dallas.

May 16-17, Oklahoma Agents, annual Tulsa Hotel, Tulsa.

May 19-21, Insurance Accounting & Statistical Assn., annual, Netherland Plaza Hotel, Cincinnati.

May 19-21, American Management Assn. Insurance Conference, Hotel Statler, New York.

May 19-21, American Assn. of Managing General Agents, annual, Greenbrier, White Sulphur Springs, W. Va.

May 21, Connecticut agents, midyear, Wee Burn Country Club, Darien.

May 22, Midwestern Independent Statistical Service, annual, LaSalle hotel, Chicago.

May 24, National Board, annual, Commodore Hotel, New York.

May 22-24, Arkansas Agents, annual, Arlington Hotel, Hot Springs.

May 23-24, Upper Peninsula (Mich.) Agents, annual, Escanaba.

May 26-28, Health & Accident Underwriters Conference, annual, Cosmopolitan Hotel, Denver.

May 30-June 1, Consumer Credit Insurance Assn., annual Hot Springs, Va.

June 16-18, Kentucky Fire Underwriters Assn., Cumberland Falls.

June 2-3, Independent Insurers, regional meeting, Baker hotel, Dallas.

June 16-19, International Assn. of A. & H. Underwriters, annual, Asbury Park, N. J.

June 17-19, Tennessee Fire Underwriters Assn., Lookout Mountain hotel, Lookout Mountain.

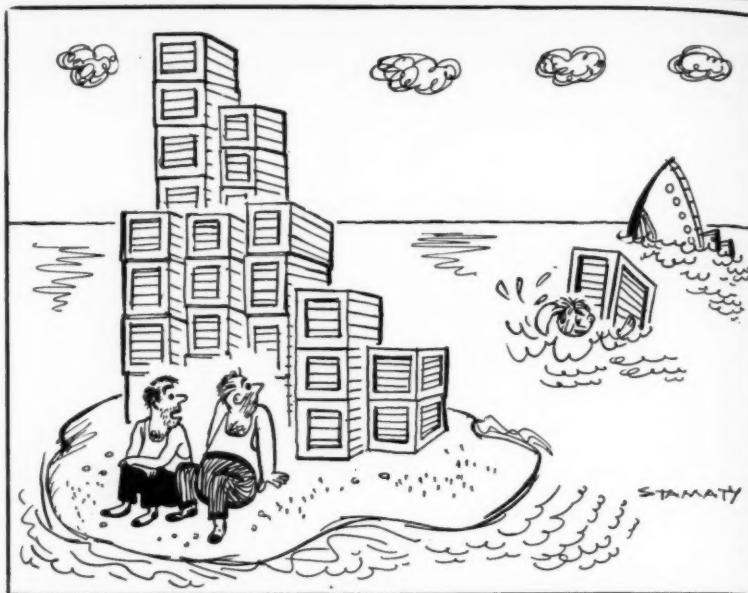
June 17-19, C.P.C.U. Institute, University of Connecticut, Storrs.

June 18-19, Illinois Fire Underwriters Assn., annual, Nippersink Manor Resort, Genoa City, Wis.

June 19-20, Virginia Agents, annual, Hotel Roanoke, Roanoke.

June 22-24, New England agents, annual, Bretton Woods, N. H.

June 22-25, N.A.I.C. annual convention, Conrad Hilton hotel, Chicago.



**"HE'S AN OFFICIAL OF THE COMPANY THAT INSURED THE CARGO, SURE DESERVES A PROMOTION."**

June 26-27, Company educational directors annual conference, Absecon, N. J.

July 3-5, National Assn. of Independent Insurance Adjusters, Greenbrier hotel, White Sulphur Springs, W. Va.

Sept. 22-23, Utah Agents, annual, Hotel Newhouse, Salt Lake City.

Aug. 17-19, Washington agents, annual, Chinook Hotel, Yakima.

Aug. 17-20, West Virginia Agents, annual, Greenbrier hotel, White Sulphur Springs.

Aug. 24-26, Wyoming agents, annual, Henning hotel, Cooper.

Sept. 8-10, Oregon agents, annual, Multnomah Hotel, Portland.

Sept. 8-10, Connecticut agents, annual, Hotel Taft, New Haven.

Sept. 10-11, New Hampshire Assn. of Insurance Agents, annual, Wentworth-by-the-Sea.

Sept. 11-12, Minnesota Agents, annual, Hotel Duluth, Duluth.

Sept. 15-17, Idaho Agents, annual, Hotel Bannock, Pocatello.

Sept. 17-19, C.P.C.U., annual Jefferson hotel, St. Louis.

Sept. 22-25, National Assn. of Insurance Agents, annual, Cleveland.

Sept. 29-Oct. 1, Bureau of Accident & Health Underwriters, annual, Grove Park Inn, Asheville, N. C.

Oct. 4-8, International Assn. of Casualty & Surety Underwriters and National Assn. of Casualty & Surety Agents, joint meeting, Greenbrier hotel, White Sulphur Springs, W. Va.

Oct. 15-16, Kansas Agents, annual, Jayhawk Hotel, Topeka.

Oct. 16-18, Colorado agents, annual, Broadmoor Hotel, Colorado Springs.

Nov. 17-19, California agents, annual, Oakland.

Nov. 20-21, National Assn. of Independent Insurers, annual meeting, Conrad Hilton hotel, Chicago.

### Full Cover for New Hospital

Directors of Bedford County Hospital at Shelbyville, Tenn., just completed and ready to open, voted to carry complete insurance coverage of \$800,000. The policies are being placed with local agents there.

### Ready for Dean Schedule

A. Clifford Hudson, reporting as secretary of New Hampshire Board of Underwriters at the annual meeting, said the Dean system of analytic rating will probably be adopted in the state this year. Unexpected difficulties prevented this last year.

Paul M. Davis, of Davis, Bradford & Corson, Nashville local agency, who is chairman of First American National Banks, has been re-elected to the advisory council of the federal reserve board, representing the sixth district.

Clarence Lind of Tinklepaugh & Lind, secretary of Kansas City (Kan.) Assn. of Insurance Agents, is back at his office following several weeks recuperating from major surgery.

Insurance Women of Gregg County was organized at Kilgore, Tex., with Mrs. Faye Arnim, first vice-president of Federation of Insurance Women of Texas, presiding. Officers of the new club are Miss Helen Smith, Kipper-Zeidler agency, president; Miss Amy Rodden, Kipper-Zeidler, and Mrs. Emma Butler, Meadows agency, vice-presidents; Mrs. Rose Belt, Laird agency, and Mrs. Lyndel Chandler, Bass agency, secretaries, and Mrs. Eubanks, Meadows agency, treasurer.



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WHEN an agent seeks a new company connection he will, in addition to considering its stability, ascertain its reputation for settling claims promptly and equitably. He will further study the company's facilities for rendering assistance in solving urgent problems, and he will want to know whether sales co-operation aid is available. Each of these is important to an agent who would enhance his prestige in a growing community.

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## FDIC ANALYSIS

## Bank Defalcations Going Up at Alarming Rate

Irregularities by bank employees are increasing at an alarming rate, Dr. Edison H. Cramer, chief of the division of research and statistics of Federal Deposit Insurance Corp., reports in an article in Auditgram, publication of National Assn. of Bank Auditors & Controllers.

In the first quarter of 1952, the board of review of F.D.I.C. met 26 times and at all but six meetings irregularities were reported. The total for the three months was 40, in 28 states. Defalcations have been the largest single cause of insured bank failures. Of 415 banks requiring financial aid of F.D.I.C. in its first 17 years, 120 were wrecked by dishonest employees.

Mr. Cramer presents in several tables analyses of the defalcations.

## More Than Double

He notes that irregularities have more than doubled in five years, reaching 553 in 1950. Preliminary findings of an analysis of these cases include the fact that of 300 cases on which detailed summaries have been made involved 356 persons, 131 officers and 225 other employees. Positions range from president and vice-president, where there were 10% of the violators, to a negligible

number of janitors and messengers. Most frequent offenders were tellers, 163, with cashiers next, 76.

Perhaps the most frequent method used is that of withholding deposit tickets and falsifying records. One cashier prepared special statement sheets for the customers with whose accounts he had tampered, substituting these for the ones prepared by the bookkeepers. Only discrepancies in dates of deposits led to his discovery.

Methods differ widely. One of the simplest was used by a teller who found a check on the floor of the bank and cashed it. But most embezzlements were devised with the utmost attention to detail.

One of the most original methods involved manipulation of the bank's income account. The president did not credit interest on 27 notes. He held the money in cash to be paid as bonuses to his sons who were officers of the

## Defalcations in Insured Banks Receiving Financial Aid From F.D.I.C., 1946-1950

Year	Location	Amount of Deposits	Amount of Defalcation	Amount of Bond Coverage	A.B.A. Amount of F.D.I.C. Disbursements
1946	Churchville, Va.	\$ 316,00	\$ 30,420	\$ 15,000	\$ 265,000
1947	Evanston, Wyo.	1,991,000	227,058	50,000	202,000
	Lemont, Ill.	1,749,000	250,994	50,000	479,000
	Central City, Pa.	1,709,000	128,371	20,000	93,000
1948	Newark, N. J.	7,921,000	657,000	200,000	1,515,000
	Pryor Ck, Okla.	1,925,000	731,628	100,000	1,925,000
	Franklin, Texas	609,000	81,253	35,000	249,000
1949	Dyer, Indiana	3,090,000	438,686	150,000	1,282,000
	Martinsdale, Mont.	709,000	203,672	40,000	426,000
	Weston, Ohio	742,000	143,935	50,000	258,000
	Spencerville, Ind.	436,000	273,481	35,000	586,000
1950	Cecil, Pa.	2,246,000	1,549,615	50,000	1,730,000
	Westphalia, Mich.	1,126,000	455,071	45,000	968,000
	Minooka, Ill.	1,711,000	197,026	50,000	245,000
	Aurora, N. Car.	991,000	90,065	75,000	939,000
		\$27,271,000	\$5,458,275	\$965,000	\$935,000
					\$11,162,000

bank. He managed to hold out more than \$2,000 in this manner in two months.

The bond portfolio of a bank sometimes comes under suspicion. In one small bank \$25,000 in bonds were purchased at a price in excess of the market. The question immediately arose,

who benefited by the premium paid, the president or the bond dealer or both?

One man committed an indiscretion with his wife's sister. She blackmailed him for 20 years.

Family banks offer unique opportunities. (CONTINUED ON PAGE 33)

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ANY, LTD  
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INSURANCE  
ETY BONDS

## Defalcations in all Insured Banks, 1946-1950

Year	All Insured Banks	National Banks	State Banks Members F. R. System	Banks Not Members F. R. System
1946	270	173	30	67
1947	393	225	52	116
1948	426	233	56	137
1949	513	290	67	156
1950	555	309	67	179

## Officers and Employees Involved in 300 Identified Irregularities in Insured Banks During 1950

Position	No.
Directors	3
Presidents	20
Vice Presidents	15
Cashiers	30
Cashiers-Presidents	2
Cashiers-Vice Presidents	5
Cashier-Directors	2
Assistant Cashiers	36
Assistant Cashiers-Branch Managers	11
Branch Managers	1
Assistant Cashiers-Tellers	4
Assistant Treasurers	2
	131

Other Employees:	
Bookkeepers	39
Tellers	153
Tellers-Bookkeepers	6
Clerks, miscellaneous	10
Collection department employees	6
Other (auditor, administrative assistant, stenographer, accounting department, messenger, janitor, porter, guard)	11
	225

Total employees ..... 356

## Fidelity Bond Coverage of Insured Commercial Banks Examined 1950

(Preliminary Data)

	Below A.B.A. Standard	At or Above A.B.A. Standard
All banks	32%	68%
Nationals	54%	46%
State members Federal Reserve System	44%	56%
State non-members	18%	82%

## Globe and Rutgers Fire Insurance Company

## FINANCIAL STATEMENT AS AT DECEMBER 31, 1951

## ADMITTED ASSETS

*Bonds—United States Government	\$ 4,135,647.48
*Bonds—All Other	3,043,102.35
*Stocks (Includes Subsidiary Companies at \$5,739,759.43)	12,203,969.43
Cash on Hand and in Banks	1,840,780.49
Premium Balances (Less Ceded Reinsurance Balances)	1,132,550.82
Interest Due and Accrued	59,526.74
Funds Held by American Marine Hull Insurance Syndicate	7,347.00
Other Admitted Assets	361,129.44
	<u>\$22,784,053.75</u>

## LIABILITIES

Reserve for Losses and Loss Expenses	\$ 1,961,951.55
Reserve for Unearned Premiums	7,407,943.46
Reserve for Expenses, Taxes (Including \$126,861.49 Federal Income Taxes) and Contingent Commissions Due or Accrued	473,625.31
Funds Held under Reinsurance Treaties	571,660.07
Reserve for all other Liabilities and Items	164,634.60
	<u>\$10,579,814.99</u>

## Capital Stock:

‡\$4.64 Prior Preferred Stock (30,000 shares \$15.00 Par Value)	\$ 450,000.00
‡\$5.00 Convertible Second Preferred Stock (10,000 shares \$15.00 Par Value)	150,000.00
Common Stock (240,000 shares \$5.00 Par Value)	1,200,000.00
	<u>\$ 1,800,000.00</u>

\$Reserved Surplus	70,000.00
Surplus	10,334,238.76
	<u>\$22,784,053.75</u>

## POLICYHOLDERS' SURPLUS \$12,204,238.76

\* Bonds and Stocks are carried on the basis prescribed by the Insurance Department of the State of New York. If actual December 31, 1951 market quotations for all except insurance stocks had been used (such insurance stocks being taken at statutory values as at December 31, 1951, with portfolios adjusted to market) the Policyholders' Surplus would be \$12,045,680.38. Securities carried herein at \$280,921.37 are deposited with State Departments as required by law.

† Entitled upon redemption at Company's option or upon voluntary liquidation to \$105 per share with successive reductions of \$1.00 per share on June 1, 1953, June 1, 1955, June 1, 1957 and June 1, 1959, in each instance plus accrued dividends; otherwise entitled to \$100 per share plus accrued dividends.

‡ Entitled upon redemption at Company's option or upon voluntary liquidation to \$105 per share plus accrued dividends; otherwise entitled to \$100 per share plus accrued dividends. Each share convertible at any time into four and four-tenths shares of Common Stock at the option of the holder, except such shares as have been called for redemption, in which event the conversion privilege shall cease on the redemption date or not more than ten days prior thereto.

\$ Provision for increase in par value of capital stock which would result from the exercise of conversion privileges of all Convertible Second Preferred Stock outstanding.

## HOME OFFICE

111 WILLIAM STREET, NEW YORK

## NEWS OF FIELD MEN

### Gibbs to Fla. for C. & R., Mayes Succeeds Him in Va.

E. C. Gibbs has been appointed state agent of Corroon & Reynolds in Florida, succeeding R. J. Smith who has resigned to go with Northern, N. Y., in a similar capacity.

Mr. Gibbs has been supervising Virginia for Corroon & Reynolds for several years. He was formerly with Virginia Rating Bureau as manager of one of the important rating offices in that state. He will have offices at 2100 North Orange, Orlando.

Frederick H. Mayes, Jr., has been appointed special agent in Virginia, replacing Mr. Gibbs. Mr. Mayes has been with Virginia Rating Bureau for a number of years, more recently as special agent. Mr. Gibbs will spend several weeks with him before leaving for Florida. Mr. Mayes will have headquarters at 600 Richmond Federal building, Richmond.

### N. J. Preventionists Elect

George P. Albiez, state agent of Pearl Assurance, was elected president of New Jersey Fire Prevention Assn., succeeding Fred L. Bross, state agent of Halifax, at the annual meeting in Trenton, which 80 members attended.

Plans for the coming citywide town inspection of Bound Brook, N. J., in May, were reported by Calvin Baile, special agent of London & Lancashire, and requests for town inspections of Collingswood, a suburb of Camden, and Mercerville were discussed for the fall.

Other officers are vice-president, Herbert A. Tripple, special agent of Crum & Forster; secretary, J. A. Neill, special agent of America Fore; treasurer, George Walthour, special agent of Meserole group. Directors are Mr.

Bross; Reginald Burdick, special agent of Potomac; Ralph Wescott, state agent of Glens Falls; Marshall Markoe, special agent of Aetna Fire, and Joseph Ritger, state agent of Royal-Liverpool.

### Wis. F.U.A. Meets April 7

The quarterly meeting of Wisconsin Fire Underwriters Assn. will be held April 7 at Milwaukee, starting with a luncheon. N. C. Lane, St. Paul F. & M., is president. Plans will be formulated for the annual meeting in June.

### Cox Talks on Water Fog

Emmett T. Cox, Western Actuarial Bureau, addressed the Arkansas Fieldmen's Club at a luncheon at Little Rock, explaining the work of his "exploration committee" investigating the fighting of fire by indirect application of water fog. He pointed out how this method had reduced losses from water damage, and hence insurance claims, at Parkersburg, W. Va., and Miami, two cities which have been using this new method for some time. A lengthy question and answer period followed his address.

### Beale to Far Northwest

Seattle Blue Goose will hold a dinner meeting April 21 to honor Charles L. Beale, most loyal grand gander. Mr. Beale also will visit Portland, Ore., Spokane and Vancouver, B. C., for conferences with ponds there and their officials.

### Field Men Hear Eichhorn

Charles Eichhorn, local agent of Columbus and former president of Ohio Assn. of Insurance Agents, urged an end to the monopolistic state fund on workmen's compensation in his talk at the March meeting of Ohio Fire

Underwriters Assn. at Cleveland. Mr. Eichhorn said that the fund need not be abolished, but that the companies be allowed to compete with it. In those states where there is competition between the state and the companies for compensation business, he said, the claims are paid more rapidly, there is less litigation, and there is a lower accident rate.

### Insurance Men On High School Safety Program

CINCINNATI—A number of insurance men will participate in the sixth annual high school safety institute of the public and parochial schools of the Cincinnati area at Walnut Hills high school here March 29. T. T. Bryant, vice-president Cincinnati Fire Underwriters Assn., represented that organization and also Cincinnati chamber of commerce on the cooperating committee.

R. E. Vernor, Chicago, manager of fire prevention department of Western Actuarial Bureau, will speak at the main session and Verne Hart, special agent Aetna Fire and Edward C. Knoop, Jr., Pacific National, and Thomas P. Burrus, Royal-Liverpool group, representing Ohio Fire Prevention Assn., will take part in a demonstration of the chemistry of fire.

The institute involves schools of all types in Hamilton county and in the neighboring Kentucky counties of Campbell and Kenton.

### Four-State Meet at Joplin

The four-state Mohawk Blue Goose meeting will be held May 1 at Joplin, Mo., with the Heart of America pond, Kansas City, as host. The program includes golf at Twin Hills Country Club, model initiation at 5 p.m., followed by a fellowship hour and dinner. Top flight entertainment has been arranged.

### Currie Joins Ore. Agency

Desmond Currie has resigned as special agent of Crum & Forster in Oregon to join Lumbermens Insurance Agency at Bend, Ore., and will head its engineering department. He has been with Crum & Forster for a year and a half and previously was with Oregon Insurance Rating Bureau. He is a navy veteran.

### MacGregor Joins Atlas

Norman A. MacGregor, formerly with Montana Fire Rating Bureau, has joined Atlas as special agent in Montana with headquarters at Butte.

### Smith to Northern in Fla.

Richard J. Smith has gone with Northern of New York as Florida state agent with headquarters at Winter Park. He has been in the Florida field 18 years, and previously was 13 years in Ohio.

### Field Men Take Tour

Cook County Fire Underwriters Assn. at the March meeting last week made a tour of Underwriters Laboratories followed by a business meeting and dinner. The organization, which in its first year has a membership of

about 50 Chicago and Cook county field men, will hold its first annual meeting at Cherry Hills country club May 22. Paul Olinger, Agricultural, is the president.

### Ryan to Carolinas Field

Brice M. Ryan, agent Progressive fire of Atlanta in Alabama, is being transferred to the Carolinas as state manager. He was formerly with George H. Butler agency, Anniston, Ala.

### Conn. Club Elects April 7

Connecticut Field Club's annual meeting will be held at New Haven April 7.

### Buecheler Named at Buffalo

Hartford Fire has appointed John E. Buecheler as special agent at Buffalo, where he will be associated with R. C. Brown, special agent.

During the war, Mr. Buecheler was a lieutenant in the air force. He joined Hartford at the home office, and recently has been at Syracuse.

### Rush to St. Louis

George B. Rush, Jr., who has been operating in the field out of the Lawrence, Kan. office of Phoenix Assurance, has been transferred to St. Louis where he will operate as special agent throughout Missouri. He is opening offices in the Boatmen's National Bank building there.

### Alamo to Initiate Five

Alamo Blue Goose, San Antonio, at its March meeting elected five novices who will take their first swim at the annual meeting. It is planned to hold the annual picnic at Seguin, Tex., May 19.

### Fireman's Fund Coast Changes

Douglas F. Doby has been appointed Wyoming special agent for Fireman's Fund with headquarters at Denver. Alan B. Cobbe has been named field assistant at Albuquerque, N. M. John Bueermann has been named on the casualty staff at Fresno, and Baird D. Smith becomes fire field assistant at Fresno. George E. Anderson is appointed field assistant at Sacramento.

### F. P. Talks to Rotary Club

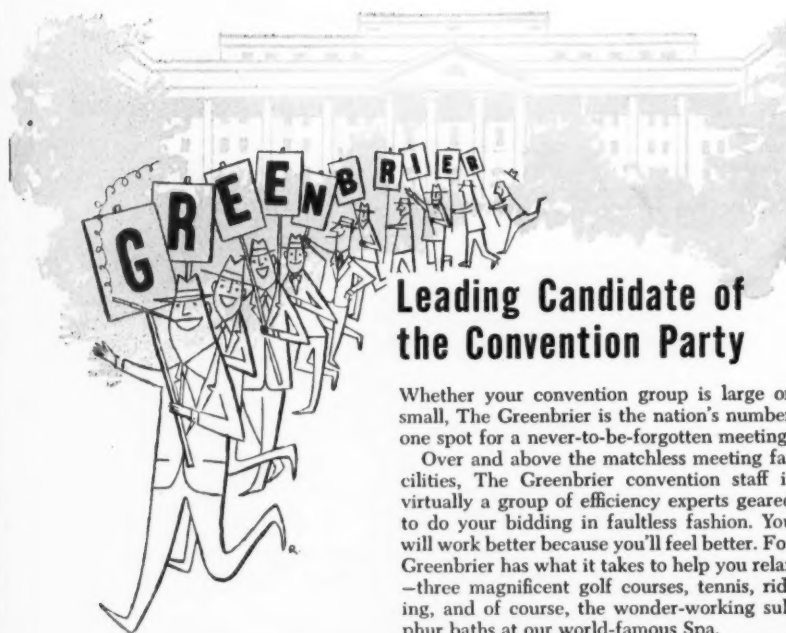
LaConner (Wash.) Rotary Club heard talks on fire prevention by Ben Barnett, special agent at Seattle for North British, and David L. Hardin, state agent America Fore, at a dinner meeting. Several fire prevention films of Washington Fire Underwriters Assn. were shown.

Sioux Falls Blue Goose Luncheon Club at a meeting, with 35 in attendance, saw a film by D. E. Schmeling of Texas Oil Co. on Saudi Arabia.

The Austin (Tex.) puddle of Alamo Blue Goose has set April 14 as the date for an outing with the ladies as guests.

Dakota Blue Goose is holding its midwinter splash at Aberdeen, S. D., March 26-27.

Missouri Fire Prevention Assn. inspected Cabool March 27.



### Leading Candidate of the Convention Party

Whether your convention group is large or small, The Greenbrier is the nation's number one spot for a never-to-be-forgotten meeting.

Over and above the matchless meeting facilities, The Greenbrier convention staff is virtually a group of efficiency experts geared to do your bidding in faultless fashion. You will work better because you'll feel better. For Greenbrier has what it takes to help you relax—three magnificent golf courses, tennis, riding, and of course, the wonder-working sulphur baths at our world-famous Spa.

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## MARINE NEWS

### Gem Expert Gives I.M. Men Pointers

Al B. Greenberg of Imperial Jewelers, Inc., Brooklyn, an expert appraiser of precious gems, told nearly 50 inland marine claims men and underwriters at a dinner meeting in New York that no law or code of standards exists to set the price of diamonds to dealer or consumer. Consequently, the price is often determined by what the traffic will bear, considering the play of competition between diamond merchants.

It is usual for diamonds to be sold and resold among dealers as many as 10 times before they reach the ultimate purchaser. It is quite possible, he said, for a gem to sell for \$200 in one jewelry shop and for as much as \$1000 in another.

In spite of this kind of market, Mr. Greenberg brought along charts compiled by jewelry associations which showed that the median price of diamonds advanced about 20% from 1917 to 1950. In between, there have been peaks and depressions in the price of diamonds, with 1932 hitting bottom and 1946 the highest point ever attained.

#### Elements in Value

Many factors determine the value of a diamond, he said, with weight usually the No. 1 consideration. Beyond that, value is determined by color, degree of perfection and brilliance. The latter depends on the skill of the cutter in designing and shaping the diamond to provide the greatest number of reflecting surfaces. Diamonds do not shine in the dark—their brilliance depends upon the amount of light which can enter the many facets and the perfection in the depth of the stone.

Finished diamonds in a setting which become chipped will result in less loss to insurance if taken to expert diamond cutters. When properly refinished, only the smallest amount of weight should be lost in restoring the stone. As to chips or breaks, it is impossible to tell when the damage occurred. Dirt and grime can be acquired in a very few minutes, and even an expert can't be sure it's an old break. If the break is the result of some inherent vice, however, an expert can tell.

Appraisals made of mounted stones are often inaccurate. Imperfections can be missed and the exact weight can't be determined.

#### Inherent Vice

Imperfections a stone may have include carbon, cloudiness and tiny cracks known as feathers. In spite of the plaint of every insured who loses a diamond, he said, only 15% of every 10 stones can be called perfect or blue-white. The federal trade commission ruling is that a stone is perfect if no imperfection shows under a 10 power glass. Trade experts use 70 power glasses to examine diamonds.

A plan to protect the insurance business and the public from the rising wave of jewelry losses, was offered by Mr. Greenberg, formation of a central clearing house which would photograph, describe and appraise diamonds offered for insurance purposes. The clearing house, operated non-profit and supported by insurers, would maintain constant liaison with police. Diamonds have an individuality and a stone can be recognized if a proper description and photograph are kept.

### Marine Syndicates Elect

Officers and directors of American Marine Hull Insurance Syndicate, U. S. Salvage Assn. and American Marine Insurance Syndicate for Insurance Builders Risks were elected at the annual meetings of these organizations at New York last week. The chief executive officer of these three organizations is C. G. Cornwell.

All officers of American Marine Hull

Syndicate were reelected. J. T. Byrne is vice-chairman; S. D. Livingston, secretary; R. F. Weyant, executive assistant; H. Dorfman, assistant treasurer; S. Gore, loss manager, and T. Birdseye, assistant loss manager.

Officers of U. S. Salvage Assn. are: President, Mr. Cornwell; vice-president, Mr. Byrne; general manager, J. P. Thompson; executive secretary, M. F. McAlinden; secretary, S. D. Livingston; treasurer, R. F. Weyant, and assistant treasurer, H. Dorfman.

Officials of Builders Risks Syndicate are: Chairman, Mr. Cornwell; vice-chairman, J. T. Byrne; secretary, S. D. Livingston; treasurer, R. F. Weyant, and assistant treasurer, H. Dorfman; loss manager, S. Gore, and assistant loss manager, T. Birdseye.

### Canadian Inland Conference to Fight New Competition

TORONTO—C. D. Trusler, Commercial Union, has been elected chairman of Canadian Inland Underwriters Conference. First vice-chairman is L. L. Lewis, Springfield; second vice-chairman L. L. Rooke, Dominion of Canada General, and secretary, Wilson McLean.

In connection with the situation where one or more companies has issued a type of P.P.F. policy that does not

conform to that adopted by the conference, a resolution was adopted to free all members of the conference in order to compete both as to cover and rate.

"There can be no doubt," the secretary comments, "that the situation may well lead to the breakdown of the organization of the conference, and possibly a return to the chaotic condition which preceded its formation."

### Report Cannery Form in Pacific Northwest Area Violates Marine Definition

SEATTLE—The Washington department is reportedly investigating an alleged violation of the marine definition, following complaints made by a number of large brokerage offices. It is reported that a number of fish cannery concerns, whose operations extend from Alaska to the United States, have been offered a marine contract which does not exclude fixed locations. The form is said to be written on a monthly reporting basis at a rate of 9 cents per \$100 of value.

Under its terms, insured's stock and equipment is covered against all transportation perils and in addition against fire, extended coverage, malicious dam-

age and strike, riot and civil commotion, including consequential loss. Coverage applies to continental limits of Canada and the United States, including Alaska.

In addition, fixed location coverage is provided against the perils of flood, rising waters, collision, collapse or subsidence of docks, wharves, bridges, upset and/or overturn and/or collision of transporting conveyance, earthquake, landslide, and leakage or discharge of water or any other substance from sprinkler systems and their connections. Anticipated profits on a valued basis are also reportedly covered.

Under the terms of the policy, it is reported, the property insured is defined as merchandise, and products of the fishery including all materials, supplies, goods, nets and fishing gear, including equipment and machinery when in transit, are covered. All transit risks are insured.

It is reported that the form complained of its being issued by an unauthorized insurer and that its issuance has not been approved or reported to the commissioner through established Surplus Line Assn. channels.

St. Louis Insured Members' Conference conducted a panel discussion on "The Part Time Insurance Executive" Tuesday.

## AMERICAN HOME FIRE ASSURANCE COMPANY

### FINANCIAL STATEMENT AS AT DECEMBER 31, 1951

#### ADMITTED ASSETS

*Bonds—United States Government.....	\$1,029,663.47
*Bonds—All Other .....	735,203.16
*Stocks .....	3,229,380.00
Cash on Hand and in Banks.....	946,387.59
Premium Balances (Less Ceded Reinsurance Balances).....	329,888.54
Interest Due and Accrued.....	13,324.84
Other Admitted Assets.....	636.58
	<u>\$6,284,484.18</u>

#### LIABILITIES

Reserve for Losses and Loss Expenses.....	\$ 184,183.25
Reserve for Unearned Premiums.....	1,816,533.10
Reserve for Expenses, Taxes (Including \$15,117.07 Federal Income Taxes) and Contingent Commissions Due or Accrued.....	110,679.24
Funds held under Reinsurance Treaties.....	24,199.39
Reserve for all other Liabilities and Items.....	1,602.76
	<u>\$2,137,197.74</u>
Capital Stock (100,000 shares \$10.00 Par Value).....	\$1,000,000.00
Surplus .....	3,147,286.44
	<u>\$6,284,484.18</u>

#### POLICYHOLDERS' SURPLUS \$4,147,286.44

\*Bonds and stocks are carried on the basis prescribed by the Insurance Department of the State of New York. If actual December 31, 1951 market quotations had been used, the Policyholders' Surplus would be \$4,091,972.63. Securities carried herein at \$369,449.69 are deposited with Governments and State Departments as required by law.

#### HOME OFFICE

111 WILLIAM STREET, NEW YORK

## Huttenlocher Heads Midwest Agents

(CONTINUED FROM PAGE 1)

Agents must insure more people if they are to stave off this threat and meeting it will require a fighting approach from everyone.

R. E. Dineen, vice-president Northwestern Mutual Life and former New York insurance superintendent, who had dropped in at the morning session to renew old acquaintances, said that he has never lost his interest in fire and casualty insurance and never will, because what affects one phase of the insurance business affects the other side inevitably.

He pointed out that in 1948 labor interests sponsored a bill in Massachusetts for a monopolistic state automobile insurance fund and in 1950 a cash sickness insurance bill, also monopolistic. This year, the same group is urging federal action on workmen's compensation with a national monopolistic fund. This group has always argued that the agent is getting too much commission and this year in New York is circulating a pamphlet depicting greedy companies and greedy producers sucking the life blood out of workmen's compensation. At the same time, Mr. Dineen said, the same group is trying to organize life insurance agents with the promise of getting them more commission. He said that the social planners, with their agitation for social security, cash sickness and compulsory automobile insurance, have paid a high compliment to both sides of the insurance business—that the product of the

insurance business is so good that the planners say people should be compelled to carry it.

Maurice Hartson, Jr., New Orleans, chairman N.A.I.A. property insurance committee, briefly reviewed the problems before his group. He said that no association can depend upon a committee to do its thinking—that every idea and project handled by his committee and other committees originated with an agent or an insured. He said that the questionnaire his committee distributed to agents made it clear that the three most pressing problems are a need for some form of flood insurance, package policies and simplification of forms. The committee has been working on the flood insurance problem but the progress is slow. Mr. Hartson said it may require government support, but if so, N.A.I.A. will wage a determined fight to restrict any government participation to flood only.

### Pressure for Standardization

He said that most filings of package policies have been accepted, but some commissioners are complaining that the public is being confused and are beginning to put out pressure for some standardization. Since many of these policies involve liability insurance as well as property insurance, Mr. Hartson said that they are cutting across N.A.I.A. committee lines and he thinks it will be essential that N.A.I.A. work jointly with Assn. of Casualty & Surety

Companies, as well as with Insurance Executives Assn. in the regional fire jurisdictional organizations.

Progress has been made in simplification of forms, but much remains to be done and the present procedure of using a fire insurance policy, a prescribed form, the extended coverage endorsement and the additional extended coverage endorsement to achieve coverage is a confusing and unsatisfactory set-up. He said the insurance companies have asked for a moratorium on additional extended coverage changes, in order to acquire experience, which everyone will agree is reasonable, but the agents do think the present provision of no coverage from freezing losses, if the building has been unoccupied or unheated for 72 hours prior to the loss, is unreasonable and is bad public relations and that point should be pressed. He said that water damage insurance has been written in England and Canada for years without this restriction and with only a \$15 deductible and he does not think it can be justified.

Mr. Hartson paid high tribute to Arthur M. O'Connell, Cincinnati, past chairman of the Midwest Conference and his immediate predecessor as N.A.I.A. property insurance committee chairman.

The morning session opened with the invocation by Rev. E. J. O'Donnell, S. J., president Marquette University, and welcome addresses by G. A. Timm, Kenosha, president Wisconsin association, and R. A. Laub, president Milwaukee Board. Mr. Ashton introduced two N.A.I.A. executive committee members from the midwest territory, Kenneth Ross, Arkansas City, Kan., and J. H. Carney, Eau Claire, Wis. He also announced that Howard A. Marshall, Wisconsin state agent of Millers National, had been killed in an automobile accident near Shawano that morning.

### New W.U.A. Film Shown

The formal opening session Monday was preceded by a showing of the film of Western Underwriters Assn., "Introducing the Policymen." W. G. Dithmer, assistant manager, presented the film and discussed its purpose and meaning. The film has had a very wide circulation at local board meetings and also at business men's sessions throughout W.U.A. territory.

Monday evening there were two dinners. Mr. and Mrs. Timm were host and hostess at a dinner for state association presidents and their wives. Following the custom established a year ago, Western Underwriters Assn. was host at the same time to state association secretaries and managers. All the full-time secretaries were present, with the exception of A. H. Kenna of Kansas, who was unable to be at the convention. The W.U.A. staff was out in force, including E. H. Born, manager; Mr. Dithmer and Assistant Managers K. S. Ogilvie and C. H. Metzner.

Tuesday featured two breakfast meetings, each with a panel discussion. K. A. Young, Blue Earth, Minn., was in charge of the meeting for rural and small town agents. R. W. Carter, Aetna Fire, Chicago, was moderator of the panel on insurance problems peculiar to these offices. Speakers were W. J. Bremer, Chicago, Hartford Accident, on comprehensive farm liability; R. H. Osborne, National Fire, on gross earnings business interruption insurance; J. W. Gates, Fireman's Fund, on public liability and J. E. Cryan, America Fore, on the mobile agricultural machinery floater.

### Metropolitan Agents' Breakfast

The breakfast for metropolitan and large lines agents was presided over by E. L. Lederer, chairman N.A.I.A. metropolitan and large lines agents' committee, and past chairman Chicago Insurance Agents Assn. H. H. Corson, Nashville, first chairman of the midwest conference and chairman of the future progress committee of the conference, discussed the aims and purpose of the large lines agents subcommittee. Louis Trout, St. Louis, spoke on the handling of brokers, solicitors and subagents and

R. D. Layton, vice-president Rough Notes Co., spoke on office procedure in large agencies.

J. W. Randall, Hartford, president of Travelers, was the featured speaker at the Tuesday morning session. He was introduced by Commissioner Lange of Wisconsin. Mr. Randall's talk is reported elsewhere in this issue.

The final session Tuesday afternoon was a panel on business interruption and other time element coverages. G. V. Whitford, Philadelphia, secretary Fire Association, was moderator, and the panel consisted of H. W. Mullins, Rockford, on the view of the agent; H. C. Klein, secretary of New York Underwriters, on the underwriter's view and A. C. Guy, Columbus, regional supervisor Western Adjustment, on the viewpoint of the adjuster. It was followed by a question and answer period. The meeting concluded with the report of the resolutions committee and election of officers, and was followed by a dinner Tuesday night.

### Service Is Vital

At the large agents breakfast, Mr. Trout said that his office has a dual problem in that office brokers, who are full time producers, and sub-agents require different treatment. The latter are largely real estate men and do not have the opportunity to become thoroughly familiar with insurance. They need service if they are to develop into profitable connections and Mr. Trout's office has four full-time service men working with 250 offices in this class.

Mr. Trout said screening of brokers is most important. His firm will not take in an office broker unless it thinks he will develop a minimum volume of \$50,000 premiums reasonably soon. Mr. Trout holds meetings with brokers and underwriters every afternoon and the office spares no effort to assist its producers in production, technical information and relief from office detail. He said he does not encourage a prospective full time producer to become a sub-agent for a single company, since, if his business develops, the producer will soon need more than one company. Instead, these men are urged to become brokers from the start.

In answer to a question, Mr. Trout said that the only way to keep good brokers is to make the connection attractive to them. If the office delivers the top brand of service, a smart broker will realize that he could not duplicate it himself, except at prohibitive expense.

### No Relief on Help Problem

Mr. Layton said that every survey indicates that the supply of office help will keep on diminishing for at least five years, because of the low birth rate of the 1930's and the present early marriage trend. The higher birth rate of the war will not help until 1957. Hence, he said, an office must meet the problem by keeping present employees happy, reviewing its salary policies and making sure that skilled workers are not wasting their time on unskilled jobs. He said that an office should forget age limits and prejudices against physically handicapped people. In many communities, displaced persons have made excellent employees. Another effective device is to hire two young untrained women who would otherwise go to factories and arrange for each to work half time, going to school the rest of

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the time. Mr. Layton showed slides illustrating latest procedures.

There was a luncheon Tuesday for executive secretaries of metropolitan boards, with John Fishdick, secretary Milwaukee board, as host.

A program as appetizing as the food attracted a packed house for the breakfast meeting of the rural and small line agents. The gathering presided over by Kenneth Young, Blue Earth, Minn., enthusiastically approved a proposal outlined by Kenneth Ross, Arkansas City, Kan., midwest conference vice-chairman, under which a separate committee of small town representatives would be set up within the midwest conference to meet annually with Farm Underwriters Assn.

Mr. Ross noted that the conference committee headed by George Carter of Detroit of necessity concerns itself with problems more akin to the metropolitan agents. It was felt by a group considering the problem, he said, that the smaller agent would benefit by a separate committee which could consider problems peculiar to him. After conferring with F. U. A., it was found the companies would gladly support such a committee and meet with it.

#### McFarland Takes Bow

John McFarland, western manager of American, president of F. U. A., who was in attendance at the breakfast and took a bow, is actively behind the movement, Mr. Ross said. It was decided to draw up the proposal in resolution form and submit it to the resolution committee.

Mr. Bremer, who explained the comprehensive farm liability policy, said the agent has great responsibility to make certain the risk remains essentially as described in the policy. Often, he said, the farmer engages in some non-farm business, or other activity, which would not be covered. As a result, service is an important feature of the policy. These changes can be covered at usually only a small premium increase, he said. The agent should always strive to know intimately his assured's operation, and in turn make all information available to the underwriter.

#### Gross Earnings B. I. Form

The gross earnings business interruption form as it relates to small businesses was discussed by Mr. Osborne. Every agency business, he said, is a prospect for this coverage, especially the smaller merchant who seldom has sufficient reserves to weather a prolonged business interruption. Many small business men don't have this coverage, Mr. Osborne observed, because they don't know it exists. Too many agents erroneously feel the cost is too high and therefore clients won't be interested, he commented. Active solicitation will disprove this, he said.

The storekeepers liability policy was considered by Mr. Gates as being one of the easiest policies to sell, not only because of its attractive price but also because it is easily understood. Public

liability for some time was a little purchased coverage because it was involved and many agents were unable to explain it convincingly. That problem has been eliminated by the storekeepers form, he remarked, suggesting that every agent especially explain it to present clients who have O. L. & T. policies. They particularly will be impressed by the greater coverage available at only a small additional premium.

Mr. Cryan, assistant secretary of America Fore, reviewed the mobile agricultural machinery and livestock floaters. He cited figures showing the great increase in machinery on farms and said that future values will be much greater, creating a large insurance market. Modern, all-risk covers are available to the agent today, he said. This, coupled with the fact that the property is of high value, makes it an easily sold type of insurance with sizable commission returns.

At the conclusion of the breakfast meeting, three framed Currier & Ives prints were awarded through drawings by Minnesota Assn. of Insurance Agents. George Blomgren, executive secretary, made the presentations. Winners were Ray F. Buege, Oconomowoc, Wis.; Arch Northington, Clarksville, Tenn.; and H. E. Thrall, Huron, S. D.

#### Whitford Excels as Moderator

The business interruptions panel Tuesday afternoon, featuring the views of the agent, underwriter and adjuster, was kept at a fast pace by George V. Whitford, secretary of Fire Association, the moderator.

Mr. Mullins recalled that when he was a company man he took the view that considerable business interruption could be sold by any agent who would study and solicit it. He said, however, that he has changed his mind since acquiring the agent's point of view, feeling that to be sold extensively the coverage needs to be simplified. He indicated this simplification is not as necessary for the agent as it is for helping the client understand the coverage.

While admitting that today's B.I. form offer adequate protection, Mr. Mullins opines that the coverage is made complicated by the numerous clauses and endorsements. The buyer doesn't like furnishing all the information required, he said, especially since it is of the type hard to determine.

Mr. Mullins said he believes that with a simplified rating schedule all time element coverages could be written under a single form for what ever amount the client would want. He stated this could be done similar to the way it was with rent insurance. Because the assured would be getting what he wants, insurance to value most likely would not be a problem.

Some substitute for the coinsurance provision in B.I. was suggested by Mr. Mullins. Mentioning that a recent survey showed B.I. coinsurance penalties exceeded those for most other coverages, Mr. Mullins stressed that it is almost impossible to know how often the agent should check values. He said these values could raise as much as 100% overnight, illustrating the difficulty of administering the coinsurance clause.

#### Gives Underwriters View

At the panel on business interruption and other time element covers, Henry C. Klein, secretary of New York Underwriters, presented the view of the underwriter. Mentioning that the 3.290 nation-wide ratio of time element to total fire premiums is very inadequate, and that ratios for nearly two-thirds of the individual states are below this figure, Mr. Klein said it is evident that comparatively few agents are selling the cov-

erage and are therefore missing a great opportunity to substantially increase commissions as well as better serve clients.

Mr. Klein, who devoted most of his remarks to business interruption insurance, said that the principal deterrents to its sale are a lack of knowledge of the coverage and a lack of enthusiasm for it. The agent should realize, he said, that business interruption is actually business life insurance and that familiarity with policy forms and rules is not difficult. The agent who has these realizations, and who actively solicits the coverage, will find it extremely re-

warding, he added.

Mr. Klein predicted there is a bright future for the coverage, dimmed only by the international situation with its resultant shortages of replacement material, thereby prolonging business interruption losses, and the indifference on the part of agents. He mentioned that elimination of the two item form would simplify and expedite sale of the coverage. An endorsement excluding ordinary payroll from the coverage of the gross earnings form, he said, would cater to the assured opposed to insuring such payroll. To offer only the gross earnings form, however, he added, would re-



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quire readjustment of the rate formula for manufacturing risks in some territories where the present formula favors the two item form.

Mr. Klein noted that there soon may be a policy form for mercantile risks consisting of a number of items of physical damage coverage of buildings and contents followed by a separate item of business interruption insurance. Such a form, he said, reminds both salesmen and buyers that coverage of earnings is available. He also saw in the future an endorsement under which for an increased rate coverage would be extended beyond the time required to rebuild, repair or replace a destroyed property, the indemnity continuing thereafter until normal operations are resumed. He opined this would be a welcome change because any business can sustain loss of earnings beyond the date of completion of physical rehabilitation and should be able to secure coverage at a rate differential. He listed some of

these as public storage warehouses and seasonable enterprises such as hotels.

Another change favored by Mr. Klein would be revision of the rule book under contingent business interruption insurance to permit coverage of contributing or recipient property owned or operated by assured. He pointed out that this gives the assured who operates at two or more locations the option of covering them by blanket or by a combination of direct and contingent form policies. He predicted that the rule requiring a gross earnings form policy to be written with 80% contribution when it blankets two or more locations, thereby substantially increasing premium costs, will have that required percentage of contribution reduced.

Observing that the many changes cited were desirable, Mr. Klein stated that nevertheless current forms and procedures afford coverage whose value has been amply demonstrated and therefore agents should not delay in using what

they have to work with.

Mr. Guy described B.I. as a time tested, disaster proven coverage whose experience shows it works better than many others. It is not difficult to master and there is a vital need for it, he declared, going on to say that the agent who neglects it is doing a disservice to his clients.

Several adjusting steps used in getting a B.I. assured back into production after a fire were listed by Mr. Guy. Some of these included distinguishing between property damage loss and B.I. loss; advice as to best method of restoring facilities and replacing or reconditioning raw materials; advice as to what is expected of assured, with a detailed explanation of policy limitations, and a determination of what the effect will be of priority rulings or city and state reconstruction statutes.

It is up to the adjuster, Mr. Guy emphasized, to convince the assured that his business is one of production

and not claims collection. If the adjuster does this, and gets the assured back into production as expeditiously as possible, it serves to increase assured's confidence in the agent and improves public relations, he concluded.

## CHICAGO

### Lersch to R. B. Jones as Chicago Senior Underwriter

William E. Lersch, since 1946 vice-president of T. A. Cummings, Jr., Co. of Chicago, has been appointed senior underwriter in the Chicago office of R. B. Jones & Sons.



W. E. Lersch

Mr. Lersch started in insurance with Travelers and after two years joined John Naghten & Co. of Chicago. He was with the agency three years before war service with the army. He has specialized in fire and casualty production and underwriting and will concentrate on broadening the fire insurance facilities of R. B. Jones.

R. B. Jones operates on a nation-wide basis through agents and brokers and does an almost exclusive business with Lloyds of London. C. Reid Cloon, vice-president, will leave for London March 30 to discuss additional underwriting facilities with Lloyds underwriters.

### J. H. WALKER JOINS RBH

John H. Walker has joined the Chicago staff of Rollins Burdick Hunter Co. He entered insurance in 1934 as a fire underwriter for America Fore. For four years before the war he was marine manager for Corroon & Reynolds at Chicago. He is the son of John K. Walker, late partner of Moore, Case, Lyman & Hubbard, and has been with that firm.

### OSBORN & LANGE TO MOVE

Osborn & Lange, Chicago metropolitan supervising agency, about May 1 will move from the Insurance Exchange building to new and larger quarters at 223 West Jackson boulevard. The move will enable the agency to consolidate operations on one floor. It will occupy almost the entire eighth floor which has been completely remodelled.

The agency about two years ago entered the life and A. & H. fields and at the same time expanded its fire and inland marine departments. Steady growth since that time made it necessary to obtain additional space which also would allow for future expansion.

## NEW YORK

### BROOKS TO TALK

At the April 3 meeting of Brooklyn Insurance Brokers Assn. Walter F. Brooks, deputy New York superintendent of insurance, will speak.

### SCHAAD TRANSFERRED

Carlton E. Schaad, electrical inspector at Buffalo of New York Board, is being transferred to the head office in New York City to become assistant to State Superintendent James Lynett who has charge of the electrical inspection activities throughout the state.

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## COMPANIES

### Millers National Shows '51 Gains

Millers National's premium writings were \$5,502,853 for 1951, an increase of \$4,035, premium reserve was \$5,522,998 an increase of \$78,475. Assets were \$10,792,717, an increase of \$51,814 and policyholders' surplus was \$3,639,513, an increase of \$336,766.

Invested assets were \$8,754,203 of which bonds were \$6,974,654. The company's investment in Illinois Fire stock carried at \$1,447,173, and other stocks at \$330,936. Cash was \$1,311,918.

Illinois Fire, wholly owned subsidiary, reported premium writings at \$1,871,932, an increase of \$296,308. Premium reserve was \$1,940,512, an increase of \$314,226. Assets were \$3,836,303, an increase of \$569,990 and policyholders' surplus was \$1,449,347 an increase of \$203,436.

### Founders Premiums Up

Gross premiums written by Founders of California 1951 amounted to \$7,930,315, an increase of 5.8% over the preceding year. The annual report shows assets of \$7,674,327 as compared to \$8,056,414, a decrease of 4.7%.

Earned premiums for the year amounted to \$6,512,929, a gain of 13.2%. Unearned premium reserves decreased from \$3,421,570 to \$3,312,738. Net underwriting results on a statutory basis showed a loss of \$1,090,945, as compared to a loss of \$497,666 in 1950.

### A. E. Ives Is Retiring

Alfred E. Ives, executive vice-president and a member of the executive committee of American Reinsurance, is retiring. He has been an officer of the company for 24 years, serving as secretary, treasurer, and vice-president before becoming executive vice-president in 1938. He will continue as a director.

### C. H. Kahrs Is Advanced

Charles H. Kahrs, who joined the underwriting staff of American Reserve last year, has been appointed assistant vice-president. He is an ex-president of Insurance Club of Pittsburgh and had formerly been Pennsylvania state agent of London Assurance.

### Hancock, Gray Now V.-P.s

Dwight N. Hancock and Lloyd Gray have been elected vice-presidents of Olympic and Marathon insurance companies of Los Angeles.

Mr. Hancock has been named vice-president and assistant manager at the home office and will assist S. A. Richards, vice-president and manager, in operational activities. Mr. Gray, who has been assistant secretary, will have

charge of operations in Texas, Oklahoma, New Mexico and Arkansas, with headquarters at Dallas.

Before going with Olympic, Mr. Hancock was in charge of the automobile department of Fire Association at the home office and before that for several years was with General Exchange at Des Moines and Chicago. Mr. Gray previously was with Motors at Los Angeles and Long Beach.

### Anchor Casualty Reports

Anchor Casualty reports assets of \$11,042,256, increase \$579,088. Policyholders' surplus increased \$135,145 to \$2,792,103. Net premiums in 1951 were \$8,604,834, an increase of 10% over 1950, and net earnings amounted to \$294,302, or \$2.94 a share. Of this amount \$64,045 was from underwriting and \$230,257 from investments. A semi-annual dividend of 40 cents a share was declared.

John S. Holl and John W. Seeger, both St. Paul industrialists, were elected directors.

An increase from \$100,000 to \$200,000 has been effected in the capital of Texas Fire of Ennis. Additional stock was sold at \$10 per share. The company was formed last July.

### Hear Auto Rate Report

San Antonio Insurance Exchange heard a report on the Texas department hearing on automobile insurance rates from L. C. Beery.

Regarding the transfer of Bexar county from its present territorial classification to territory 2, Secretary Ludolph cited the history of the past to show that the rates are still not as high as on one previous occasion.

### New Exchange at Batesville

A new insurance exchange has been organized at Batesville, Ark. All stock company agencies there are affiliated.

### Set Ark. Bureau Meeting

The executive committee of Arkansas Inspection & Rating Bureau will hold its annual meeting at Little Rock April 18. The luncheon program will be given over largely to the annual report of Arkansas State Fire Prevention Assn. There will be an advance showing of "The Magnolia Story," a National Board film writers made during the Magnolia town inspection in February. It shows the complete workings of the "Arkansas system" in staging city-wide fire safety campaigns.

### OK's N. E. Installment Filing

The board of governors of New England Fire Insurance Rating Assn. has voted to authorize filing in the near future of an installment plan and annual renewal plan for use by all member and subscriber companies in Maine, Vermont, Massachusetts, Rhode Island, and


Connecticut.

The plans will resemble closely those already filed for individual member and subscriber companies. It is expected that these plans will be withdrawn when the rating association filing is made.

Massachusetts does not allow use of

the annual renewal plan, though supporters of that plan are hopeful that it soon will be approved.

John R. Cauthorn, Wichita local agent, will be married April 20 to Miss Jo Ann Flanigan of Wichita.



## Let's get a few things straight

Some men in general lines say that selling life insurance is too complicated and takes too much time. Our answer is, "Lots of them are doing it successfully right now — why can't you?"

We have been in the business for 56 years, and in that time we have learned to understand the problems of the general insurance man and have also learned how to help him in a lot of ways.

Men in general lines who become associated with us, stay with us. We give our agents lifetime contracts, and under those contracts we pay them the best commissions obtainable.


Our representatives begin making money right away from life insurance and it frequently helps their general business. To get started, they only have to understand our three special policies which cover 90 per cent of their clients' life insurance needs.

A LIFE insurance contract with us is CLIENT insurance for you. It will guard your present clients from competitors who have added life coverage to their lines, and it will add to your income. Write to Charles W. Arnold, Vice-President and Superintendent of Agencies, Box 139, Kansas City, Missouri, for full details.

### KANSAS CITY LIFE INSURANCE

Company

KANSAS CITY MISSOURI



## WEST BEND MUTUAL FIRE INSURANCE COMPANY

(SINCE 1894)

AN AGENCY COMPANY

(Home Office)  
WEST BEND, WISCONSIN

STANDARD — UNIFORM

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Special Agent  
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We invite Agency inquiries in Illinois—Indiana—Iowa—Minnesota—Wisconsin. Certain territories available for Agency representation.

## EDITORIAL COMMENT

### New for Old Dwellings Not Likely

The matter of giving, or not giving, insured new for old following a loss has been brought to the fore by the notice of National Board to adjusters to be sure to apply depreciation unless there is replacement insurance shown and a premium paid for it or a replacement endorsement for dwellings issued by Fire Association.

The first indicates that in at least some cases adjusters have been coming closer to settlement of losses new for old, probably as a result of the pressures they almost constantly encounter. The two items together tend to raise the old question of whether insurers could not, and as a matter of public relations, should not, insure new for old in the dwelling field.

The answer is that the companies probably will not, though the move by Fire Association suggests there will be further developments in this direction. Insurers are not likely to do it for more reasons than that they regard the application of depreciation as they key protection against the moral hazard. One of these reasons is that any new for old arrangement calls for coinsurance and would require the dwelling owner to maintain insurance to value to avoid penalties on partial losses, penalties not generally escaped even by commercial insured who have lived with coinsurance for a long time.

Yet the question is an interesting one. It is perhaps natural for most in the business to regard replacement insurance with apprehension. The application of depreciation is a principle deeply imbedded in insurance practice. In the 1918 policy it was specifically mentioned, and courts have upheld the practice on the theory it is against public policy for insured to profit from a fire.

Replacement insurance is relatively new, only a decade or so old, and its spread has been steady if not rapid. It is opposed in principle by underwriters and adjusters who see in it the relinquishment of their check rein on moral hazard. There are certain situations, such as those involving property created by endowment, where it seems to be justified. But most insurance people do not believe its use is wise to the extent it is now being employed.

The question of insuring new for old is of special interest in the dwelling field because it is the personal insured, the man who has a loss only once in a great while, who has the most difficulty understanding the application of depreciation and who is the most resentful of it, even when he can understand its

logic. That this does not create more of a public relations problem is credit to the ability of adjusters. The phase of the matter, however, which is least likely to be resolved even with the closing out of the claim, is that insured learns about depreciation after the event. Depreciation is no longer mentioned in the policy, few if any agents point out its existence when they sell the contract, and insured may feel he has been taken, though he has been convinced of the logic of depreciation sufficiently to get the loss settled.

"Actual cash value at the time of loss, or replacement with like kind and quality," does not give the inexperienced, average home owner unfamiliar with the technicalities of insurance language, a clue to what is going to happen to him when he has a loss. Insured feels it is not quite fair of the business to apply a principle, no matter how it costs him money. If he had been logical, after the loss, particularly when warned in advance, he could have been mentally prepared. Presumably this would reduce the difficulties of adjusters in securing settlements and create a happier public attitude toward insurance generally. Some thought might be given to this.

If insurers want to protect themselves against moral hazard, wouldn't it be more effective if they issued the warning about depreciation in advance? Then insured would be on notice he could not profit from the fire. This would do away with temptation before it even arises. This method seems more sporting, rather than coming in after the fire and educating the innocent with the guilty at the time when insured is bruised and suspicious.

The a.c.v. or replacement language affords insurers a safety factor. On a declining market, they can replace. Adjusters, however, say insured may have let his property run down and then be glad to have new for old from the insurer. Of course, this occurs today all the time. Insurers have not wholly solved the problem which they say application of depreciation is designed to solve.

Another point in insured's favor in this argument is that insurers do not have anything like a real standard of depreciation to apply. territory to territory or adjuster to adjuster. There is no mathematical or other firm standard and because of real variability in values and measurements there is not likely to be. If there were, depreciation could be more readily defended. Also, the

business is not very successful in many cases in applying depreciation because of agency or other pressures. In many cases, depending on the adjuster and on insured, the final figure varies with who can shove the hardest.

Fire Association is making a cautious approach to the matter of replacing old with new: 100% coinsurance, appraisal of the property, etc. Coinsurance appears to be an essential ingredient in any new for old arrangement, and it is for this reason that if companies were to write all dwellings new for old, the result would be more beneficial to insurers than to insured.

One problem in underwriting dwelling business is to get insurance to value. The rating system is built on that postulate, but in practice this does not occur. Consequently, there is a distortion of the rating system used. New for old with coinsurance would force up insurance to value substantially in the dwelling field and therefore produce considerably more premiums. At least

theoretically such an approach would control the premiums in relation to rates, just as application of depreciation is (theoretically) designed to bring within control the moral hazard losses.

But in actual practice, experience over the years with properties where coinsurance is required, most of them commercial insured who have a great deal more at stake than the dwelling owner, indicates clearly that keeping insurance to value would be a practical impossibility for dwelling owners. As a consequence, they would take penalties on partial losses which they do not now suffer in most cases. Coinsurance of something less than 100%, say 80%, would help but would not entirely solve this problem for insured.

Perhaps this is a problem for agents, to sell dwelling owners enough insurance. If so, it should be pointed out that it does not take much skill to sell enough insurance where coinsurance is required but it does on non-coinsured property like homes.

### Congratulations Well Earned

This week contained the big day in the 200th anniversary celebration that the mutual insurance fraternity is conducting so successfully and on a first rate scale. March 25, 1752 has been set down as the founding date for Philadelphia Contributionship for the Insurance of Houses from Loss by Fire and that then is claimed as the foundation of mutual insurance in the United States. Indeed it is proclaimed as the founding date for all American insurance.

On March 25 at Philadelphia, and in 30 other cities, 200th anniversary dinners were held and then on Wednesday through Friday in New York there is under way an impressive "Conference on the Future." There a dozen top

level scientists and scholars are scanning 200 years of progress in physical, biological, psychological, and social fields and making an "informed guess" as to what will develop in those fields in the future.

This celebration was conceived and is being carried out in a way that lends dignity and stature not only to the mutual side of the house, but to the entire institution of insurance. This is a week during which the ordinary clash of competition in the insurance market place can be stilled for a moment and a word of appreciation spoken in behalf of the entire institution of insurance, for the program and planning of the mutual insurance 200th anniversary committee.

## PERSONAL SIDE OF THE BUSINESS

**Charles J. Montgomery**, veteran local agent at Rock Island, Ill., was presented with a plaque commemorating 35 years' representation of Agricultural. The presentation was made by Paul B. Olinger, Illinois state agent. Agricultural was one of the original companies in the Charles E. Hodgson agency which Mr. Montgomery took over.

**Roy L. Davis**, midwest manager of Assn. of Casualty & Surety Companies, had his hand and wrist broken recently when he was hit by an automobile while crossing the street in Chicago.

**Melvin LePitre** of Chicago, manager of the Illinois department of Fire Association, is returning in a few days from a month at Fort Lauderdale, Fla. He has been in touch there with **H. K. Dickinson** who was assistant manager in the old western department of Fire

Association and who has been residing at Fort Lauderdale since 1949. **A. F. Powrie**, who was manager of the old western department, has been in Florida, mainly at Clearwater, for two months and he is expected back shortly.

Taking the prize for overcoming the greatest obstacles to reach the midwest territorial conference at Milwaukee was **Kenneth Young** of Blue Earth, who is chairman of the rural agents committee of Minnesota Assn. of Insurance Agents. This was his first N.A.I.A. convention and he wasn't going to be denied despite the fact that a blizzard had brought transportation to a standstill at Blue Earth. He had a drag with the undertaker and got him to drive him in the ambulance Saturday morning to the freight depot. There he was able to board the caboose of a freight train

#### THE NATIONAL UNDERWRITER

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Assistant Editor: John C. Burridge.  
News Editor: F. A. Post.  
Editorial Assistants: Charles C. Clarke, Ellsworth A. Cordesman, Donald F. Johnson.

Executive Editor: Levering Cartwright.  
Advertising Manager: Raymond J. O'Brien.  
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Howard J. Burridge, President.  
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which took him to Winnebago, a junction of the Omaha and the Milwaukee railroads. At that point Mr. Young walked half a mile in a blizzard and boarded a mixed train that was five hours late. He made another change at Albert Lea at 10 p.m., then he got to Austin, then to Calmar, Ia., again to Madison and finally to Milwaukee at 1:15 p.m. Sunday—his elapsed time being some 30 hours instead of the 10 hour trip that it normally is.

At the annual meeting of American Brazilian Assn. at New York, L. C. Irvine, general manager of American Foreign Insurance Association, was named president. Mr. Irvine has been associated with the association for many years, having served as a director, vice-president and chairman of the editorial committee.

W. M. Carlson of the J. L. Macbeth Co. agency of Dayton, O., has been making a business visit to Chicago.

T. A. Long, vice-president of United National Indemnity, is on the coast for a three weeks' business trip.

W. W. Hamilton, manager of Chicago Board and of Illinois Assn. of Insurance Agents, was taken ill with a virus attack while en route to Pinehurst, N. C., for a vacation and was put in a hospital on arrival. He was due to be released this week and will be at his quarters at Holly Inn for a time.

Ralph W. Learn, assistant western manager of Aetna Fire, is at Wesley Memorial hospital, Chicago, where he was taken after suffering a severe attack at his home.

Leigh Warner, president of Cimarron Ins. Co. and Cimarron Casualty and secretary of Wheat Growers Mutual Hail, all of Cimarron, Kan., is a candidate for Democratic national committee-man for Kansas.

William J. Spillard, special agent in the arson division of National Board at Chicago, is to be speaker of the evening at a gathering at Geneva, Ill., Saturday in tribute to Fire Chief Gust Thompson of that place who is retiring after 47 years.

The headquarters of Agricultural at the Midwest Territorial Conference at Milwaukee featured two appetizing specialties from the general neighborhood of Watertown. There was the famous Potsdam cheddar cheese that has become standard equipment at Agricultural's headquarters for a number of years but there was added on this occasion a special kind of bologna that has been made for several generations by a family at Croghan, N. Y. It so happens that Giles H. Valin, assistant automobile manager of Agricultural, is related to

these people and through his influence they were persuaded to part with enough of it to take care of the headquarters needs. Those at the Agricultural headquarters were Wilson Lively, secretary, and George Peacock, auto secretary from the head office, and Paul Olinger, Illinois state agent and Howard Zibble, Wisconsin state agent.

C. W. Ohlsen, western manager of Sun, and E. H. Forkel, western manager of National Fire, are vacationing at Pompano Beach, Fla., and they will go from there to White Sulphur Springs, W. Va. next week for the convention of Western Underwriters Assn. Other Chicago insurance men that have been at Pompano Beach include K. C. White, manager of Underwriters Adjusting, and W. H. Potter, Jr., manager of Phoenix of Hartford. Another insurance man that has been seen on the beach there is George Van Wagenen, prominent general agent of Minneapolis.

Lumbermens Mutual Casualty has awarded a three-week Caribbean cruise to Mr. and Mrs. H. L. Kennicott in recognition of Mr. Kennicott's completion of 35 years with the organization. He is secretary and director of public relations for the companies of the Kemper group. His period of service is exceeded only by the 40-year records of Chairman James S. Kemper and President H. G. Kemper.

Before assuming the public relations post in 1943, he served as advertising and office manager, comptroller, manager of the New England department, the Chicago agency of James S. Kemper & Co. and the companies department.

## DEATHS

WILLIAM J. BRODERICK, 54, Iowa state agent of Ohio Casualty, died at Des Moines of a heart attack. He had been in ill health for two years and hospitalized since Feb. 23.

N. CARL BAREFOOT, 49, safety engineering director of Virginia Mutual, died at his home at Richmond. He graduated from University of North Carolina, taught for 14 years and then was assistant director of highway safety in North Carolina for seven years.

HOWARD A. MARSHALL, 51, Wisconsin state agent for Millers National, died March 23 as the result of injuries suffered in an automobile accident near Shawano, Wis.

Mr. Marshall started in insurance with Firemen's of Newark in 1916. He traveled for the automobile department until 1931, when he became Illinois state agent. He joined Millers National in 1943 from the underwriting department

of Hartford Fire. He traveled Iowa from 1943 until 1948, when he was transferred to Wisconsin.

Mr. Marshall's automobile crashed into a truck parked on the highway Thursday. He had left his home at Appleton that morning and had made agency calls at Stevens Point and other towns, and was to have spent the night at Shawano.

HOWARD M. ECKELS, state agent of the Firemen's group for 35 years, died at Pittsburgh. He was active in Insurance Club of Pittsburgh.

HOMER S. HOGAN, 66, assistant secretary and personnel manager of the Brooks & Stafford Co. agency, died at Cleveland. He had been with the agency 42 years.

GEORGE M. MADDEN, assistant secretary of Western Millers Mutual of Kansas City, died at his office at the age of 49. He was a past president of the Fairway Homes Assn.

MRS. R. P. BARBOUR, wife of the retired U. S. manager of Northern Assurance, died suddenly at Montclair, N. J.

RICHARD B. PERRIN, president of the Hollis, Perrin & Kirkpatrick agency of Boston, died.

MRS. EMILY TORREY CUDEBACK, daughter of Owen C. Torrey, general manager of Marine Office of America, died suddenly at Roosevelt hospital at New York.

FREDERICK H. McELHONE, 55, insurance broker and community leader at Hinsdale, Ill., died of a heart ailment at Hinsdale Sanitarium. He had been a broker with W. A. Alexander & Co. 35 years. He was a former president of the village of Hinsdale. He was past commander of Hinsdale Post of American Legion.

JOHN H. MEYER, 65, head of the loss accounting department of Royal-Liverpool, who had been with the company 50 years, died at Montclair, N. J. His residence was at Bloomfield, N. J.

DAVID R. ARUNDEL, 63, for the past 10 years a partner in the Dolliff agency, Minneapolis, died there. He was Minnesota's first liquor control commissioner, 1934-6.

ARTHUR E. BATCHELDER, 75, Granite Falls, Minn., local agent, is dead.

JOHN H. BARTLETT, 82, ex-governor of New Hampshire and at one time president of Granite State Fire, died at Portsmouth, N. H. He was a director of Granite State at the time of his death.

W. J. MALOY, 57, of the marine and general insurance brokerage firm of Bertschmann & Maloy, New York, died there. He helped organize the firm in 1913.

J. W. Carr, an Industrial Life man for 20 years with Prudential and Metropolitan, has purchased the Harry L. Thomas agency at Moberly, Mo.

## Go EAST...



## Go WEST...



..and you will find  
our printing **BEST!**

Want to know why?

We specialize in printing for insurance companies. Our large plant in Danville and our new plant in Boston are designed and equipped to turn out forms quickly and economically.

If you want your policies to be individual, distinctive, as well as easy to issue, let us show you what can be done with color, format and creative design. (Snap-out if desired.)

Why not get in touch with us now?

**Recording and Statistical Corporation**

100 Sixth Avenue, New York 13, N. Y.

Plants at

55 Old Colony Parkway  
Boston 25, Mass.

211 E. Harrison St.  
Danville, Ill.

## American Ups Loss Men

American has appointed John L. Edelman to the home office loss department and Walter J. Cousins to the Greensboro, N. C., loss department. Mr. Edelman will be assigned to executive duties in connection with casualty loss operations.

Mr. Cousins will supervise casualty loss operations covering the two Carolinas and Virginia.

Andrew J. Lynch, president of Cosgrove & Co. of San Francisco and Los Angeles, has been elected president of the trustees of St. Mary's College at Moraga, Cal.

## Expand Field Jurisdiction of Philadelphia Unit

North British group has transferred supervision of Maryland, Delaware and District of Columbia from the New York office to the Philadelphia department, under Secretary S. R. Howard. Special agents E. J. Richardson and P. J. Mayer continue to represent the group in those territories from their present headquarters in the Garrett building, Baltimore.

## Thompson Reinsurance Book Issued in New Edition

A new and completely revised edition of "Reinsurance" by Kenneth Thompson has been published by the Spectator. It discusses current practices in reinsurance and covers recent significant court cases touching upon reinsurance.

In its 432 pages, the book explains the principles of reinsurance, traces its history and growth, shows the part it plays in modern insurance and business life, and outlines procedures for the executive, broker and agent to follow in actual reinsurance practice. Some of the subjects treated are the Ecomor treaty, the Carpenter plan, net retention limits, subrogation, trends in bordereau reporting, advisability of using a broker, and office procedures.

Mr. Thompson has included many new court cases to indicate legal opinion on such problems of reinsurance as rights of the reassured's policyholder. Virtually every significant court case is covered and where the American law is obscure, the English law is quoted. One section shows the reinsurance statute laws of four states and another reproduces specimen reinsurance contracts and treaty agreements.

Mr. Thompson for 25 years has made reinsurance his field of experience and study. Since 1924, he has been with the law firm of Mendes & Mount.

## Adjusters Roster Published

The 1932 roster of National Assn. of Independent Insurance Adjusters has been published. The 100-page booklet contains a listing by states of all association members and includes the constitution and by-laws, and the center is illustrated with a map of the United States on which are spotted the towns in which N.A.I.A. has members.

The name of the Pearce agency at Bellefontaine, O., has been changed to Pearce & Sloan. Richard L. Sloan, son of Allen Sloan, one of the partners, is joining the agency.

Norris Gleason, formerly with Henly & Co., and the Gregory agency, has opened his own agency in the Massey building, Birmingham.

R. L. Willis has sold his agency at Kansas City to Shale H. Goodman.

F. W. Wagner has sold his agency at Barborton, O., to Joseph P. Sherman.

H. J. Badenhop of Warrensville, O., has become a partner in the H. E. Rorick Co. at Elyria, O.

given by the Oklahoma Blue Goose auxiliary with about 130 members and guests attending.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago  
March 25, 1932

	Div.	Bid	Asked
Aetna Casualty .....	3.00	88	92
Aetna Fire .....	2.25	54 1/2	56
Aetna Life .....	2.50	84	86
American Alliance .....	1.50	33 1/2	35
American Auto .....	2.00	37	38
American Equitable .....	1.50	25 1/2	26
American (N. J.) .....	1.00	24 1/2	25
American Surety .....	3.00	49 1/2	50
Boston .....	2.65	65 1/2	67
Camden Fire .....	1.15	21 1/2	22
Continental Casualty .....	2.50	75	77
Fire Association .....	2.60	58 1/2	60
Fireman's Fund .....	1.60	55 1/2	57
Firemen's (N. J.) .....	.80	24	25
Glens Falls .....	2.40	58	60
Globe & Republic .....	.80	13 1/2	14 1/2
Great American Fire .....	1.50	37	38 1/2
Hanover Fire .....	1.60	35	36 1/2
Hartford Fire .....	3.00	139	142
Home (N. Y.) .....	1.80	37	38
Ins. Co. of North Am. .....	2.50	76	77 1/2
Maryland Casualty .....	1.00	22	23
Mass. Bonding .....	1.60	26 1/2	27 1/2
National Casualty .....	1.50	26 1/2	27 1/2
National Fire .....	2.50	62 1/2	64
National Union .....	1.80	39 1/2	41
New Amsterdam Cas. .....	1.50	34 1/2	36
New Hampshire .....	2.00	42	44
North River .....	1.20	28	30
Ohio Casualty .....	1.20	68	70
Phoenix, Conn. .....	3.00	86	88
Prov. Wash. .....	1.50	29	31
St. Paul F. & M. .....	.80	31 1/2	33
Security, Conn. .....	1.60	33	35
Standard Accident .....	1.60	33	34 1/2
Travelers .....	14.00	626	632
U. S. F. & G. .....	2.00	53 1/2	55
U. S. Fire .....	1.40	42	44

\*Includes extras.

## WANT ADS

Rates—\$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—FIRE & CASUALTY EDITION

## GENERAL MANAGER DESIRED

Multiple Line Insurance Company is seeking an Executive with experience in all phases of top management decisions. Prefer a man who is acting as second in authority with a successful insurance operation and is ambitious to elevate himself to a top authority position. Salary open. A review of experience and references desired. Will not contact references without further authority. Replies will be held confidential. Address K-76, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## FOR SALE

Western Michigan: Old General Agency—auto, fire, some general casualty. \$65,000.00 direct business, \$225,000.00 thru sub agents. Could be quickly doubled. Present owner will assist buyer for reasonable time. \$10,000.00 cash required. Balance on terms. Reason for selling other substantial investments require present owner's entire time. Address K-82, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANTED TO BUY

In Southern California, a local General Insurance Agency, or become associated with one, by an Agent who has been in the General Insurance Agency business in Central Illinois for the past twenty years. Address K-77, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## CLAIMS EXECUTIVE AVAILABLE

Casualty home office supervisor in thirties desires change. Will head up claims or consider other major responsibility. Address K-79, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## MAINE or NEW ENGLAND

Casualty Special Agent desires position in above territory. Presently employed in upstate New York. Write Box K-80, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## I B M SUPERVISOR/OPERATOR WANTED

for Home Office of progressive and expanding Southern fire and casualty company. Attractive working conditions. Starting salary to \$416. Insurance experience and wiring knowledge essential. This position requires a cooperative, ambitious and energetic man. Address K-81, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Direct Selling Mutual Company is enlarging its Sales staff. Openings are available in the following cities: Chicago, Detroit, Philadelphia, Pittsburgh and St. Louis. Salary plus bonus and travelling expenses.

If you have been a Boiler and Machinery Special Agent or have had successful sales experience in other fields, send a summary of your qualifications to Personnel Manager, Mutual Boiler and Machinery Insurance Company, 60 Batterymarch St., Boston 10, Mass.

## SPLENDID OPPORTUNITY for LOUISIANA FIRE AND CASUALTY SPECIAL AGENT

State age and past experience when replying.

AMERICAN INDEMNITY COMPANY  
P. O. Box 1259 Galveston, Texas

## SPECIAL AGENT

With broad casualty background and production ability for Indiana territory. Will consider man with limited field experience who has solid casualty training and sales possibilities. Write giving qualifications, experience and personal data, Stone, Stafford & Stone, 115 North Pennsylvania Street, Indianapolis, Indiana.

## FIRE INSURANCE ENGINEERS

Nationally known fire insurance organization needs several fire protection engineers for field force. Applicants must be willing to travel. Salary commensurate with ability. Write Improved Risk Mutuals, 27 South Broadway, White Plains, New York, giving age, experience and military status.

## AVAILABLE

Experienced Bond Underwriter desires agency opportunity servicing present accounts also obtain new business. Personal qualifications and experience record furnished. Will relocate. Address K-83, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## LOSS ADJUSTER

Good opportunity as staff adjuster for company in Cleveland district office. We will consider training man who has sufficient insurance experience. Address K-84, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## BOND AND BURGLARY EXECUTIVE

Experienced bond and burglary underwriter with administrative and production background. 35 years old, married, lawyer. 12 years home office as manager. Has traveled and worked with producers. Interested large general agency or branch operation. Willing to relocate. Address K-85, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## Propose Canadian Institute

Representatives of the Insurance Institutes of British Columbia, Montreal, Ontario and Winnipeg have agreed on a constitution for an Insurance Institute of Canada. This includes all branches of insurance except life. The constitution is based on that of Incorporated Australian Insurance Institute, which was formed in 1919.

The administrative offices would be at Toronto. Insurance companies would be requested to subscribe in pro rata proportion to their premium income in Canada to the national organization. The local institutes would be reimbursed for each student member. The parent body would be expected to lay down standards and set examinations for the entire country. There would be formed a library and a journal would be published.

It is hoped that the first meeting of the governing council can be held before September.

## Invite Agents to Meeting

Agents in zone 8 of Kansas Assn. of Insurance Agents are being invited to attend the executive committee meeting April 20-21 at Dodge City. Laurin W. Jones, Dodge City, a past president of the Kansas association, is local arrangements chairman. This is the start of a new policy of the Kansas association to take the executive committee meetings to various points over the state in the hopes that many members will avail themselves of the opportunity to attend and get better acquainted with association problems and the state officers.

## Opens Pendleton Branch

Sherwood & Roberts, Walla Walla, Wash., agency, has opened a branch office at Pendleton, Ore., with Charles Erwin as manager.

## Ky. Fire Marshal Resigns

William M. Martin, state fire marshal of Kentucky, has resigned to become fire coordinator for the regional office of the civil defense administration at Avon Lake, O.

J. T. Underwood, Jr., of Parksville, assistant fire marshal for several years, will succeed him.

## W. E. Dow Is Promoted

William E. Dow, manager of the property and marine division of Kansas City Fire & Marine, has been elected an assistant secretary of that company. He has been with Kansas City F. & M. 14 years, specializing in marine coverage and for the past two years has also gotten into fire insurance and related lines. He was in the army air force during the last war.

## Hold Building Inspectors School

The Kansas building inspectors' school was held this week at Wichita, with the state fire marshal, Kansas Inspection Bureau and Kansas League of Municipalities among the sponsors. More than 100 members were in attendance.

R. L. Pepell, engineer of National Bureau of Casualty & Surety Underwriters, was a speaker at a two-day meeting at Nashville of Tennessee boiler inspectors during which the state elevator safety board conducted examinations for elevator inspectors.

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## The NATIONAL UNDERWRITER

# CASUALTY and SURETY SECTION

## DR. BLANCHARD SKETCHES PR GOAL

# True Conception of Net Cost of Insurance Needed

A true conception of what constitutes the net cost of maintaining the insurance institution needs to be impressed upon the public, according to Dr. R. H. Blanchard, insurance professor at Columbia, who was featured at the mutuals' 200th anniversary "Conference on the Future" at New York Wednesday.



R. H. Blanchard

The conventional analysis of experience into losses, expenses and profit is serviceable for calculating premium rates, the speaker said, but it obscures the purpose of insurers' expenditures and the benefits received by insured. Reports in the popular press often create the impression that the difference between premiums received and losses paid represents profit to the insurer.

Dr. Blanchard suggested an analysis of an instructive nature classifying disbursements. Under the general heading of direct benefits to insured would come loss payments, adjustment expenses to the extent that they represent service to insured, expenses for prevention of losses, expenses for other service to insured and surplus returned to insured.

## Getting at Surplus Earnings

Then there would be the general heading of general administrative expenses and, finally, selling expenses as such. The difference between the total of these items and the premiums charged to cover them would represent surplus earnings, he observed.

Dr. Blanchard said the conventional item that is most generally misinterpreted is that usually labeled "acquisition expense"—the amount expended in the process of selling insurance, carrying on the necessary incidental negotiations, putting the insurance coverage in proper order. Part of this, often a large part, covers the expense of service for the direct benefit of the insured as distinguished from reward to the salesman for making the sale. These portions would be classified as expenses for other service to insured, whereas the payment for making the sale would go under selling expense as such.

Society obviously is content to bear the cost of maintaining the insurance institution, but it is not generally realized that this net cost is not the difference between premiums and losses, but the sum of the general administrative expenses, pure selling expenses, surplus earnings and such investment earnings as accrue to the insurer from funds advanced by insured—a considerably smaller amount. It is in return for this net cost that the broader benefits of insurance are received: Knowledge of the existence of hazards, measurements of hazards, elimination of risk; all of which do their part in making possible modern business organization and operation and contribute to personal and family security.

## Gives Counsel to Buyer

Dr. Blanchard went on to give some counsel on general principles for the buyer of insurance. He said too few buyers think first of what they want to accomplish; too many are attracted by and act on unsound motives. Insurance is a financial tool of varying designs for varying purposes to be used to the ex-

tent that it serves the purpose and in the way best suited to the particular purpose. The buyer that wants insurance that may be expected to "pay off" often insures against small losses and disregards the possibility of large ones. Premiums are paid to cover what is largely maintenance or losses that would be no serious burden to the insured, and yet underinsurance is notorious. At the other extreme, insurance that offers large sums for small premiums attract customers; witness the popularity of the slot machines at airports and of "double indemnity."

The buyer does not need a technical knowledge of insurance but only a reasonable ability to assess his own needs and resources. When this is done he is ready to set his specifications before the insurance man.

## Praises Multiple Line

Dr. Blanchard spoke with enthusiasm about the development of multiple line underwriting and said he could see no good reason why insurers other than life should not be allowed to write any sort of insurance "not contrary to public policy." There is no more danger, he vouchsafed, that underwriters will use bad judgment in writing unsound varieties of insurance than that they will conduct their business improvidently within the permitted areas.

Dr. Blanchard also had a good word to say for the deductible principle. Insurance that covers small losses that the insured might well bear himself is uneconomical because it involves not only the losses but the additional expense of operating the insurer and the cost of handling very small losses is out of all proportion to their amounts. Use of the deductible would enable the insured to apply his premiums where they are most needed in purchase of insurance against serious losses.

He expressed the belief that the use of the deductible adjusted to the problem of each kind of insurance and of each insured would do much to enhance the efficiency of insurance and perhaps would improve loss figures by getting insured interested in preventing losses and in suppressing petty and improper claims. Much remains to be done in the direction of simplifying insurance contracts. Further development of the all risk contract would help here, because part of the intricate verbiage of these contracts was made necessary by efforts to draw fine lines between different covers, sometimes to conform to law, often to preserve traditional demarcations.

## Knowledge Is Superficial

Few persons, Dr. Blanchard said, have learned to think intelligently on problems of risk and insurance. People now recognize a wide variety of risks against which they need protection and they are willing to pay for it, but they still have little knowledge and less understanding of insurance, and they don't show the same interest in increasing their knowledge and understanding as in other fields. Many shrewd businessmen that probe far into the implications of their other problems abdicate when insurance comes up. This apathy may be due largely to the esoteric nature of the insurance business. It has a language of its own that often avoids commonly understood expressions to substitute technical or semi-technical wording. The public has little contact with the operation of the business since its dealings are with middlemen, not all

(CONTINUED ON PAGE 34)

## Union Rebuffed in NLRB Verdict in State Farm Case

National labor relations board has ruled that agents of the State Farm companies are independent contractors and not subject to the national labor relations act. The ruling also dismisses a petition of Insurance & Allied Workers Organizing Committee—C.I.O. for certification as organizing agent for the companies' California agents.

The IAWOC—C.I.O. became active among State Farm's California agents in the summer of 1951. Late in the year, the union requested recognition as bargaining agent. When the companies declined, the matter was referred to the San Francisco office of NLRB, and was the subject of a hearing in January.

At the hearing, the companies questioned the applicability of the national labor relations act to State Farm agents. The agents' status as independent business men was supported by evidence as to their contractual relationships with the company and the freedom of action which they enjoy.

Subsequent to the hearing, the record and the companies' brief were forwarded to NLRB at Washington. The board in its decision said the State Farm's district managers recruit the local agents and recommend their appointment to the state agents, who sign the contracts of appointment subject to approval by the companies. Approximately 408 local agents, some of whom do not represent all three companies, write and service the policies.

## Basis of Compensation

"Agents' contracts of appointments are subject to such changes as the companies may promulgate and may be terminated at any time by the companies or the agents. Agents do not receive a minimum salary or guarantee but are compensated on a commission, service fee and bonus basis. Commissions are based upon the amount of insurance written; fees for handling policyholders' losses are based upon a percentage of premiums collected; and bonuses are paid on the amount of qualifying insurance in force over a period of time. The companies advance funds to new agents if necessary until business develops and commissions earned offset the funds advanced. Under state law the life insurance company pays the state license fee for its agents while the agents themselves pay the licensing fees for automobile, fire and casualty insurance.

"The automobile and life insurance contracts of appointment specify that the duties of agents are to solicit and secure applications for insurance on a 'quality basis' in accordance with company rules; to deliver policies; to secure membership fees, initial premiums, and applications for reinstatement of insurance; to use their 'best efforts' to keep in force existing policies; to service the policyholders; to make reports as required and to investigate and handle claims 'under the direction of the company.' Agents agree to represent no

(CONTINUED ON PAGE 34)

## Much Interest in Various Forms of Liability Insurance

### Lively Forum Session Is Feature of Midwest Conference Meeting

MILWAUKEE—A lively forum on comprehensive liability insurance and allied liability topics featured the Monday afternoon session of the Midwest Territorial Conference of National Assn. of Insurance Agents here. The meeting drew a packed house and the crowd stayed with it to the end, although the number of questions asked after the prepared speeches made it run far beyond its allotted time.

Prof. J. W. Cowee of University of Wisconsin was moderator. K. J. Kirchen, Milwaukee agent, discussed product and contractual coverages, J. C. O'Connor, Cincinnati, executive editor of "Fire, Casualty & Surety Bulletins" of The National Underwriter, talked on general liability coverage other than product and contractual; R. H. Elliott, New York, assistant manager National Bureau of Casualty Underwriters, on rating, and Palmer Benson, St. Paul, secretary St. Paul-Mercury Indemnity, on adjustments.

Mr. Kirchen emphasized that product liability insurance is not restricted to the food field, although a good many insurance people have that impression. He said it should be part of every insurance presentation to any manufacturer or merchant. He stressed the doctrine of implied warranty which has created product liability insurance and explains the limits under the product liability contract or section of the policy, pointing out that the aggregate limit applies to all liability during the policy period, while the limit for accident applies to a claim arising out of one common cause, such as a single prepared batch. He said that ordinarily expense incurred by insured to recall harmful products from the market is a business loss and not covered. On contractual liability, he emphasized the desirability of trying to get hold-harmless clauses eliminated from contracts signed by the insured and said that often it is possible to do this if the agent will explain the danger to his client and the insured will make the effort with firms with which he has contracts.

## Definition of "Accident"

Mr. O'Connor commented on the definition of "accident" as a currently popular topic of discussion, pointing out that several recent cases have indicated that, while gradual accumulation or a gradual process causing damage or injury is not "accident," a definite event

(CONTINUED ON PAGE 34)

# Commercial Union Has Huge Armored Car Loss

Commercial Union had the coverage on U. S. Trucking Corp., an armored car which was looted of \$681,000 at Danvers, Mass., Tuesday. The looting by three men occurred while two armed guards were drinking coffee in a Danvers Square drug store and the car

was unattended. It was the largest robbery of cash in New England since the Brinks holdup in January 1950 at Boston. That coverage also was in Commercial Union, which writes much of such over the country on the armored car form.

## Carlson Cites Stabilizing Influence of Rate Bureaus

Rating bureaus operate as the most important stabilizing influence in the insurance business at the present time, Thomas O. Carlson, actuary of National Bureau of Casualty Underwriters, declared in his address at the Pacific Northwest insurance seminar at Seattle.

Mr. Carlson said that through the pooling of statistics, the bureaus create the only bodies of experience of a size sufficient to be utilized generally in establishing proper rates by coverage, class and territory.

"If every company were to depend entirely on its own data for rate making," he added, "then no matter how much the statistical conclusions were tempered by judgment, there would result for all except the very largest writers an instability in rate structure that would lead rapidly to chaos and disaster. I say this without regard to whether regulation is in the picture, for regulation in itself cannot produce stability and order where there is no foundation for such."

### Perform in Fire Fields

Describing the functions of the casualty rating bureaus, Mr. Carlson said they perform in five fields. They collect statistics, compile and interpret them, establish manual rates and rules for their application, and administer their use. In the field of individual risk rating they establish rating plans, and administer their application. They develop new policy forms and work in the direction of standardizing forms already in use. They are the primary fountainheads of research in the business, although with the pressure of development of state regulation, Mr. Carlson said research has been somewhat neglected in recent years. Finally, they are a vast area of public relations activities, selling rate revisions and rating plans and programs to supervisory officials in their jurisdictions, and maintaining contact with agents and other field organizations. When the staff members are working on the rate revision or rating plan, Mr. Carlson said they are instructed to try to foresee and answer any questions that might arise from the viewpoints of a staff technician, company executive, a salesman in the field, the supervisory official, or the policyholder.

Mr. Carlson said that there is a sharp difference between the bureau developed rate making procedures and the actual results. "Rate regulation was sprung upon the industry at a most unfavorable time," he said. Unsettled economic conditions were followed almost immediately by an inflationary trend, and wage controls and unprecedented expansion in volume of business in recent years has introduced further un-

stabilizing factors. The result has been a period of rate levels that have proved and are continuing to prove inadequate.

Relief in a situation of this kind, he said, is interwoven with the rate regulatory powers of state authorities. There is a tendency for approval of increases to lag behind the approval of decreases, which introduces an additional bias against the companies. There is also a natural reluctance on the part of commissioners to accept the reflection of developments beyond the available classified experience, although with loss costs continually on the increase, such a projection is necessary in order to produce a realistic appraisal of current conditions.

### Nelson Favors Bohlinger Proposal for Merit Rating

ST. PAUL—Commissioner Nelson of Minnesota favors a merit rating plan for private passenger automobiles, as recommended by Superintendent Bohlinger of New York. In a letter to Mr. Bohlinger, Commissioner Nelson wrote:

"It is quite obvious that the motoring public is not satisfied with the present rating system and, as you pointed out, the most common complaint is that the present rating system fails to reward the careful driver. The accident-free driver can't understand why he should pay the same premium as his careless and irresponsible neighbor, especially when he knows that experience rating plans are used for automobile fleet risks as well as for other lines.

"I would like to see the casualty companies work out a merit rating plan that would employ a bonus or discount philosophy rather than impose a penalty and that such a bonus be applied to the renewal premium.

"The companies cannot expect to retain public support if they continue to ignore the wants of their customers. The past year has seen an ever increasing agitation for the establishment of state funds to write automobile liability insurance coverage. Also, the question of compulsory automobile insurance has been revived and discussed with enthusiasm by the public. In the face of this it would seem that the time has come for the insurance industry to re-evaluate its position in regard to merit rating for private passenger cars."

### Rural Mutual Agents Meet

Agents of Rural Mutual Casualty, Rural Mutual Fire and Rural Security Life attended the annual sales meeting at Madison, Wis., with Curtis Hatch, president, in charge. Speakers were Prof. Robert I. Mehr, University of Illinois; Frank V. Wilcox, manager of Country Mutual Casualty, and I. F. Stutz, fire prevention supervisor of the Wisconsin industrial commission. Leading agents were given recognition at the banquet.

## Companies Ask Higher Rates for Texas Private Cars

AUSTIN—Generally higher rates for automobile coverages on private passenger cars in Texas were asked by company spokesmen at the annual hearing held by the board of insurance commissioners, with mounting costs, more frequent accidents and larger jury verdicts cited as the reason for the unfavorable experience.

The overall requested increase of \$3.67 in the state as a whole would raise the average premium charge from \$28.33 to \$32 for basic limit coverage. This increase would vary for the five different territories, on the basis of experience figures submitted. Increases were also asked on some commercial vehicles.

As indicated in pre-hearing statements, the companies also asked the board to adopt the system setting up three classes of drivers and uses for private cars, now used in 42 other states.

### Partial 1951 Figures Given

The companies submitted partial figures on 1951 experience to supplement the complete experience for 1948-50. Only minor opposition was voiced to the requested increases and to inclusion of the 1951 data. In addition the trend of the discussions was generally taken as indicating that the board may approve the new classes based on age and business use.

Figures for physical damage coverages pointed to the need for an 8.3% increase in comprehensive coverage and 4.5% in the \$50 deductible form.

The most striking figures submitted dealt with rising claim costs. For B.I., the average claim cost was \$560 for the three-year period and \$683 in 1951, an increase of 22%. For P.D. the cost increased from \$89 to \$94, up 5.6%.

Joe P. Gibbs, casualty commissioner, said the board hopes to reach a decision on the rate proposals before March 31, the date set for his retirement. However, any rate changes approved would not become effective until May 1.

### Expects 2,000 Cases to Be Settled by Arbitration in '52

More than 2,000 subrogation cases involving about \$500,000 will be settled by arbitration in 1952 under the nationwide inter-company arbitration agreement, N. Morgan Woods, claims bureau manager of Assn. of Casualty & Surety Companies, said in projecting figures on experience in the first 2½ months of the year.

There are 159 stock and mutual companies participating in the agreement, which requires non-judicial settlement of automobile physical damage and plate glass subrogation claims up to \$1,500 and also provides for the settling of issues of policy coverage and interpretation. With the consent of companies affected, the agreement permits arbitration of amounts in excess of \$1,500.

### Oppose Federal Safety Plan

WASHINGTON—Howard Starling, Washington representative of Assn. of Casualty & Surety Companies, is scheduled to testify March 31 before the Senate health subcommittee headed by Senator Lehman against proposed federal industrial safety legislation.

Federal government and labor officials generally support this measure while state labor officials and industry representatives, in general, oppose it.

A. L. Kirkpatrick, insurance manager of U. S. Chamber of Commerce, issued a statement that the federal government is holding out a baited hook in hopes of catching control of state industrial safety programs.

"Here is another attempt," he said,

"to undercut the powers of the separate states, superimpose a new federal bureaucracy on top of tested rate regulatory authorities and filch a few more millions of dollars from the taxpayer."

"The legislation is garnished with the bait of 'federal aid.' It is proposed to have the states bite to the idea of something-for-nothing and discover—too late—that they have pawned their rights to run their own industrial safety programs. In effect the federal government is holding out a wad of taxpayers' money in one hand while the other hand hides a club behind the government's back."

### Second Auto Rate Leaflet Issued by Company Group

Assn. of Casualty & Surety Companies has prepared a leaflet designed to correct points of misunderstanding among policyholders about automobile liability insurance rates. Entitled, "Three Important Facts About the Price You Pay for Your Automobile Liability Insurance," the leaflet is now available to member companies for distribution through agents.

This is the second in a series aimed at providing insured with facts about automobile liability rates and what can be done about rising trends. Almost six million copies of the first leaflet, "Here Are the Reasons Your Automobile Insurance Costs More," have already been distributed, and it is being kept in print. The new leaflet is a follow-up of this first one. Graphically illustrated, it explains rating territories, rate differentials between classifications of cars and explains why drivers under 25 years of age require higher rates. The language is brief and non-technical. Stress is laid on the idea that drivers make their own rates, and the leaflet concludes: "You pay the rate that is made necessary by the accident record of the motorists in your territory. . . . It's the driver behind the wheel in your own community who makes the rate for you. Remember, too, this year's losses help to make next year's rates."

### Iowa Warns on Renewal of TV Warranty Policies

DES MOINES—Commissioner C. R. Fischer has cracked down on Iowa television dealers and service shops that have been offering renewal of warranty policies to television receiver owners.

The Iowa department has sent them letters pointing out that offering the renewal of warranty policies violates the insurance laws. If it is not stopped they would face charges of selling insurance without a license.

The commissioner pointed out that a guaranty of parts could be issued for a specified period when the sets are sold but that a policy offering to replace tubes or parts without regard to whether it was a defect in material or workmanship constitutes an insurance policy.

He said there was some question as to just where the guaranty starts and stops but that a renewal policy is in effect an insurance policy.

Donald J. Moore, safety engineer for Marsh & McLennan, gave a demonstration in accident frequency at a meeting of Minnesota Materials Handling Assn. at Minneapolis.

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## Card for Uniform Accounting Meet

At the meeting of the uniform accounting subcommittee March 31 in New York City, subjects on the agenda include functional distribution of commissions and brokerage, definition of acquisition, field supervision and collection expenses; dollar volume of premiums or losses as a basis of allocation; syndicates, pools and associations; allocations of boards, bureaus and associations and surveys and underwriting reports; methods of examination by insurance departments, and a review of other expense analyses. The subcommittee is headed by James J. Higgins of the New York department.

With respect to other expense analyses, the business has opposed the phraseology of the subcommittee in connection with filing with it certain information on expense analyses.

### What Other Analyses Are

In an explanatory exhibit, Mr. Higgins points out that rate making organizations obtain from members and subscribers, in addition to information required by uniform accounting instructions, various more detailed expense analyses. Examples are other liability broken down into elevator, M. & C., product, O. L. & T., etc.; boiler and machinery and elevator inspection expenses analyzed by subclasses. Also, allocated and unallocated loss adjustment expenses are reported in accord with definitions promulgated by the various rate making organizations. Fire insurance expenses are analyzed by state.

To produce a more satisfactory relationship between uniform accounting and rate making, the following addition to the rules of procedure of the subcommittee is suggested by Mr. Higgins: "The subcommittee shall obtain copies of plans, forms and definitions, prescribed or recommended by any rating or service organization for use by its members or subscribers in complying with recurring calls for expense analyses in the lines of business covered by uniform accounting instructions. From time to time the subcommittee shall report on the practical effectiveness of such plans, forms, and definitions."

### Avoids Duplication

The proposed rule is limited to recurring expense analyses, which excludes special studies such as those on savings by issuing term policies, expense by size of risk, expenses incident to multiple location policies and those incurred on minimum premium risks. Since these studies usually are made or reviewed by committees of N.A.I.C., that exclusion from the rule is to avoid duplication of effort.

Mutual Aviation Casualty Underwriters and Mutual Aviation Hull Underwriters of Chicago have asked permission for their members to charge these pool expenses to boards, bureaus and associations. The casualty pool was formed in 1945 to provide reinsurance for mutual companies writing aviation casualty. This business is written by an insurer, then ceded to the pool, being distributed by the pool to all members on a quota share basis. Premiums have been: 1946, \$115,034; 1947, \$193,180; 1948, \$243,930; 1949, \$180,571, and 1950, \$155,608. Expenses for the five years were \$9,035; \$10,031; \$13,700; \$18,537; and \$12,438.

Present members of the casualty pool are American Mutual Liability, American Policyholders, Celina Mutual Casualty, Employers' Mutual Liability, Liberty Mutual, Lumbermen's Mutual Casualty, Michigan Mutual Liability, and Utica Mutual.

### Now General F. & C.

The title of General Transportation Casualty & Surety of New York has been changed to General Fire & Casualty.

## Participants in Safety Program

NEW YORK—A number of insurance people are participating in the annual safety convention and exposition of Greater New York Safety Council here Apr. 1-4. George O. Carter of Zurich will discuss integration of safety training in the general construction industry. Edward J. Bly, insurance manager of Pepsi-Cola Co., will treat a financial aspect of accident prevention in the food and beverage section.

John S. Cruickshank of U. S. Guarantee will deal with personnel selection in hospitals. George Woerdeman of Zurich will participate in a panel on a workable safety program for small commercial automobile fleets. A. A. Hansen, supervising engineer of Hartford Accident, discusses gathering facts for establishing a control program, in the commercial vehicle section.

### Driver Training Standards

Herbert J. Stack, Center for Safety Education, New York University, will deal with standards for driver training schools, in the driver training section. John V. Grimaldi, Assn. of Casualty & Surety Cos., will discuss fatigue as a contributing cause of accidents and the way to prevention in the session on advanced techniques in accident prevention.

Fred F. Beik, American group, will treat safety in homes away from home, such as hotels, motels, trailer camps, etc.

Warren A. Cook of Zurich will participate in a panel on occupational diseases. Kay Taylor of American Mutual Liability will handle a home safety quiz forum. In the school section, Merrill C. Yost, Assn. of Casualty & Surety Companies, will treat the value of psycho-physical testing. Dr. Stack will deal with new developments in shop safety at this session.

### Other Participants

Others participating in the affair include Thomas J. Duffy, E. W. Martin and Thomas F. McWeeney of Liberty Mutual; Carl L. Eddins, assistant insurance manager of Flintkote Co.; William C. Crager and E. R. Granniss, of Royal-Liverpool; E. P. Knight, and J. A. Geary, Employers group; A. P. Collignon, and Mrs. Ellen McAnish, American Mutual Liability; Dorothy Downs, assistant to the chief engineer of Firemen's Mutual; Richard LeVine, and R. H. Hartleson, Jr., Assn. of Casualty & Surety Cos.; J. J. Pascal, St. Paul Mercury Indemnity; Maximillian Komow, Center for Safety Education; John P. Malloy, General Accident.

Walter A. Gustafson of Lumber Mutual Casualty is general chairman of the convention executive committee, and George E. Decker, Aetna Casualty, vice-chairman. Mr. Crager is chairman of the program committee and O. P. Peters, Employers' group, associate chairman. Carl F. Olander, American Associated, is associate chairman of arrangements, and Gilbert B. Fletcher, Employers' Mutual Liability, associate chairman of the exhibit committee. Albert E. Walker, Travelers, is chairman of the finance committee.

Aetna Casualty will have an exhibit.

### Sask. Plan on Screen

A 16 mm. sound-color film on Saskatchewan's auto accident insurance plan has been released by Saskatchewan Government Insurance Office. The release states in glowing terms:

"Designed to show that province's famous automobile accident insurance act in operation, this 25-minute film also traces the progress of highway transportation in Saskatchewan since 1905. It also features some typical road accidents and conveys an effective safety message.

"The picture is both informative and fascinating, and prints are available without charge for free showings throughout Canada and the U. S."

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the truly great  
**BONDING**  
**COMPANIES**  
of  
**AMERICA**

**WESTERN SURETY**  
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Chicago, Illinois

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*Bonding Specialists*  
*Since 1900*

## Cleveland Rally Apr. 9 to Strike at W.C. State Monopoly

Insurance Board of Cleveland April 9 is sponsoring, with the cooperation of all property insurance organizations of the area, a forum to bring into the open the movement that has been gathering steam to try to rid Ohio of the monopolistic state workmen's compensation fund. This is attracting unusual interest. Leaders in the movement don't underestimate the difficulties facing them in this course but there is a determination to get the subject out in the open and mobilize for a long fight.

E. B. Berkeley, prominent agency leader of Cleveland, will be the moderator, and the main speakers will be Dewey Dorsett, manager of Assn. of Casualty & Surety Companies; Paul Schindler of Youngstown Sheet & Tube, who is head of the American Management Assn. insurance section, and Ted Gray, executive secretary of Ohio Assn. of Insurance Agents.

### New San Jose Claim Office

A new branch claims office, to serve the San Francisco south coast and Santa Clara valley areas, has been established by America Fore at San Jose. Albert Pedrin has been placed in charge. He has been for 12 years with the Pacific department office at San Francisco.

### Would Cover State Buildings

Spokane Taxpayers League has raised the question of the advisability of insuring state-owned buildings in Washington following the recent \$250,000 uninsured loss involving Mt. Spokane Lodge.

A communication from Governor Langlie's office was read explaining the state's system for inspecting state

properties. Leonard Burgunder, assistant state fire marshal, spoke and Senator John H. Happy of Spokane explained that the state's policy has been not to insure its properties, due to budget limitations.

The league is continuing its inquiry into the advisability of providing some form of coverage or establishing a sinking fund to meet losses.

### Leslie Abandons Keystone Mutual Casualty to Grave, Policy Group Still Fights

Commissioner Leslie, as statutory liquidator for Keystone Mutual Casualty, after conference with Philip Sterling, special counsel, stated that an appeal will not be taken from the March 17 decision of the Dauphin county court, dismissing the commissioner's petition to vacate the order of liquidation entered by the court on June 26, 1947.

The department of justice is in accord with Mr. Leslie's determination.

The policyholders' committee of Keystone Mutual Casualty that initiated the action and that is represented by the law firm of Walker & Newman of Pittsburgh, is appealing the decision, however. There is to be an argument Friday on the question of whether this appeal will act as a supersedeas. If it is to be construed in that way, this will probably tie up the proceedings for many months and delay the adjudication of claims. The receivership is already five years old.

### Securities Fund for Sureties

The bill is now before Governor Dewey that would require surety companies writing bonds on employers self-insured for workmen's compensation to contribute to a security fund. The fund, as do the present auto security funds, private and public, would guarantee the solvency of such sureties.

## Liability Rates Need Another Boost: Elliott

Further increases in manual rates for some classifications of general liability insurance are needed to overcome underwriting losses, Richard H. Elliott, assistant manager in the general liability division of National Bureau of Casualty Underwriters, said in his talk at the midwest territorial conference of National Assn. of Insurance Agents at Milwaukee.

Increases in manual rates put into effect last year have been inadequate, Mr. Elliott said, and have not kept abreast of rapidly rising costs which are causing the insurance business as a whole to incur underwriting losses. The current level of manual rates for general liability is only 9% above that of 1939, while consumers' prices increased 89% since that year.

Where rates apply to such basis as payrolls or sales, the higher premiums automatically result when the payrolls and sales rise, and to that extent help offset the costly effects of inflation, but Mr. Elliott said that for many classifications of general liability coverage, the rating basis is a fixed one and increased premium volume does not help to offset inflationary trends. He mentioned owners', landlords' and tenants' liability as an example of this, noting that the rates are based on the area of the premises involved. Thus, since the rating base remains constant, the premiums also remain constant and fail to reflect inflationary effects.

### Costs Fraction More

Few people will question, Mr. Elliott went on, that the comprehensive general liability policy is a superior product, affording more adequate protection to the insured than other policies. The cost of comprehensive insurance is very little more than that for non-comprehensive coverage.

Describing how to set up a comprehensive liability program, Mr. Elliott said that after an audit of the exposures, the agent may find that the insured has coverage in another company on some hazards which would normally be covered under the comprehensive policy. There are two ways in which duplication of coverage can be avoided, and he said the better method is to have the comprehensive policy endorsed so as to afford automatic pickup of coverage provided under other policies effective as of their expiration dates. The second method is to have the comprehensive policy endorsed so as to exclude coverage in its entirety and for the entire term of the comprehensive policy the hazards covered under the other policies. Then as the other policies expire, the exclusion endorsement may be modified or eliminated so that the comprehensive policy will afford the necessary coverage. Mr. Elliott said the first method has some obvious advantages. From the standpoint of the insured, he will have the assurance of comprehensive coverage as respects the hazards initially excluded without having to depend upon the modification or elimination at that time of the exclusion endorsement. The agent has the assurance that the policy he has sold will definitely pick up additional coverage with resulting additional premiums and commissions without the necessity of convincing the insured later of the desirability of affording complete coverage under the comprehensive policy.

### Vocation Day Is Success

More than 80 fire and casualty field men and managers, adjusters and representatives from Michigan Inspection Bureau took part in the vocation day conducted at Michigan State College by Frank Greene of National Fire, who is chairman of Michigan public relations committee, and Carl L. Strong, coordinator of insurance training at Mich-

igan State College.

George V. Whitford, secretary of Fire Association and chairman of the W.U.A. public relations committee, gave a talk on "Private Relations in Public Relations."

Other speakers were "Jack" Frost and Dave Potter of Michigan State College faculty; Mr. Strong, W. O. Hildebrand, manager Michigan Assn. of Insurance Agents; Jack Sharpe, Commercial Union; Walter Eaton, executive secretary Michigan Inter-Industry Highway Safety Committee; Harry Pollock, New Hampshire, and Mrs. Harriet Concenia, special agent of Fennell & Fennell, general agents.

### Indiana Acts Against Union Auto Club; 5 Face Charges

INDIANAPOLIS — Raymond Standefer, listed as president of Union Auto Club, and four of the club's Marion county agents—Edward N. Miller, Thomas Lee, Willis Carter, and T. L. Tucker—have been charged in criminal court with violating Indiana insurance laws.

The action follows more than three months investigation into the operation of Union Auto Club by the Indiana department and the prosecutor's office. Joseph P. Sullivan, a department attorney, reported that those joining the "club" have complained that agents told them they could cancel their regular liability and property damage insurance and receive almost the same protection at lower cost through their club membership. The complainants said they learned later that the club merely reimbursed them for legal fees spent defending damage actions.

Standefer is charged specifically on two counts of violating a 1947 law requiring automobile clubs to post \$25,000 in cash or bond before they are permitted to provide bail bonds for members arrested in traffic charges. Union Auto Club offered such service to its members, Sullivan said, although no bond or cash was posted. The four agents are charged with selling insurance without license.

The club which operates offices in 14 cities in seven states, has headquarters at Indianapolis. R. Cox is listed as the manager.

### Correct Surplus Figure for Cal. Casualty Indemnity Ex.

Due to a misunderstanding, the surplus to policyholders of California Casualty Indemnity Exchange for 1951 was erroneously reported in the Feb. 28 issue as \$2,078,443. The correct amount is \$3,895,900, an increase of \$82,418 over 1950.

### Another Pow-wow on Profit

The N.A.I.C. subcommittee on profit factor for casualty insurance intends to hold another meeting at Chicago during the period April 16-18 when the committee on rates and rating organizations will be holding forth there. A two-day hearing was held recently which was inconclusive. It was indicated that the New York and Illinois departments are making some studies on profits and contingencies and that they might have something to offer at the next meeting.

### New Conference Member

Order of Railway Employees, San Francisco, has joined H. & A. Underwriters Conference. Membership of the conference now totals 176 companies and nine associate members.

### Higgins Opens Own Office

Stanley J. Higgins, who has been resident vice-president of Excess Underwriters and president of Insurance Forum of San Francisco, has established his own office there under the name of S. J. Higgins & Co. The new firm will specialize in reinsurance and surplus lines.

### HIGH SPOTS IN HISTORY

### 33: GEORGIA



OGLETHORPE  
COMES TO GEORGIA

In 1733 James Edward Oglethorpe founded a colony at Savannah. Its purpose was to give English debtors a fresh start in the New World.



THE FIRST  
STEAMER

The Savannah, which was the first transatlantic steamer, crossed the Atlantic from Savannah to England in 25 days in 1819.

### ALSO A HIGH SPOT . . .

. . . in many insurance agents' careers is when they join Hawkeye-Security & Industrial's great team.

Hawkeye-Security & Industrial are working constantly to build more sales for agents; prompt equitable settlements of claims . . . and skilled field representatives to work closely with all agents are just a few of the reasons why the trend is to Hawkeye-Security & Industrial.

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chairman of the  
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## Professional Liability Cover Is Not Restricted to "Malpractice" Claims

Under a professional liability policy, the liability of the insurer is not restricted to "malpractice" the Ohio supreme court has held in American Policyholders vs. Michota, et al., 7 CCH (Fire & Casualty) 764. Here a patient was injured when she tried to get into a metal hydraulic chair in the office of Stanley V. Michota, a chiropractor of Toledo.

The action was brought by Amelia Hirssig. She claimed that at the direction of Michota she attempted to seat herself in this chair and that after she placed a foot on the chair and attempted to raise herself into it, as she had done on previous occasions, the chair suddenly rotated to the left and she fell on the floor. It is alleged that Michota was negligent in failing to lock the chair or to warn that the chair was unlocked, etc.

American Employers contended that its liability is strictly limited to those injuries which might arise out of the actual rendition of professional services by the insured. However, the supreme court said that there is no wording confining the liability of the policy to a failure on the part of the insured to exercise that standard of professional skill in the treatment of patients that is prescribed by law.

The court said the relationship of patient and doctor was clearly established when Mrs. Hirssig in the treatment room began to follow his precise instructions in preparing herself for his professional ministrations. The claimed injuries according to the allegations of her petition were due to the negligence of the doctor in failing to maintain apparatus employed by him in his practice of chiropractic in a safe condition for her use as a patient.

The injury described was one "arising out of the practice of the insured's profession" and also constituted "an injury resulting from professional services rendered or which should have been rendered." Maintaining the treatment chair in a proper and safe condition for the accommodation of patients was a service or duty directly connected with the practice by Michota in his profession as a chiropractor. The insurer is obliged to defend the action of Mrs. Hirssig against Michota and in the event of a verdict and final judgment against him upon evidence supporting substantially the averments of Mrs. Hirssig's petition, the insurer is liable to pay on the doctor's behalf and satisfaction of the judgment such sums as may be within the limits of the policy.

## General Reinsurance Group Attains New Heights

General Reinsurance in its new statement shows assets of \$64,995,371, an increase of \$6,694,594. The affiliated North Star Reinsurance reports \$27,500,739 assets, an increase of \$2,895,273.

General Reinsurance claim reserve was \$27,917,784, an increase over the prior year of \$2,432,831. General Reinsurance premium reserve at \$8,830,015 was up \$1,092,064 while the same reserve in North Star was \$14,964,298, an increase of \$1,130,250.

General Reinsurance had surplus to policyholders of \$24,392,266, an increase of \$2,764,578. In North Star the figure was \$8,392,095, an increase of \$1,472,324.

On a consolidated basis net premiums written were \$32,889,313; statutory underwriting loss \$521,438.

President E. G. Lowry said General Reinsurance, in addition to substantially increasing its case reserves, added \$1 million to its reserves for incurred but unreported losses, bringing total loadings on case reserves up to \$6,740,273. Net premiums written were the largest in history and amounted to \$18,235,868, an increase of \$2,052,530. This resulted in an increase of \$1,092,064 in the premium reserve, which together with the

increase in losses and loss reserve loadings produced a statutory underwriting loss of \$1,358,700. The comparable underwriting loss for 1950 was \$333,180.

"The company has again gone back to its customers and negotiated further substantial increases in its casualty reinsurance rates. In addition, substantial increases have taken place in the rates charged by direct writing companies to their policyholders and the effect of both of these increases will begin to be felt in 1952. Whether the corrective steps which have been taken will prove sufficient will depend in large measure on the future course of the present inflationary economy. The company, however, has been doing and will continue to do everything within its power to correct its experience in the major casualty lines and has every confidence in its ability to meet and solve the problems which these lines are currently presenting."

North Star's underwriting results continued to be excellent. Composite underwriting ratio was 90.36% as compared with 90.29% in the prior year. Net premiums written were \$14,633,445. This is an increase of \$1,277,418. After absorbing an increase of \$1,130,250 in premium reserve, the company showed a statutory underwriting profit of \$837,261 as compared with \$676,509 in 1950.

## Call for \$1 Million Cover Cancels Henie Show in N. Y.

Sonja Henie canceled a production of her ice show in the Kingsbridge armory, New York City, when asked to put up a \$1,000,000 bond.

In Baltimore some 300 suits are reported to have been filed against Miss Henie, her husband, her show firm, and E. P. Coronati, Westfield, N. J., the contractor who built the stands, portions of which collapsed with resulting injuries to spectators. These suits ask for more than \$5,100,000. Coronati was to have built the Kingsbridge armory bleachers. Originally armory officials asked for \$300,000 in insurance. Miss Henie said the call for \$1,000,000 insurance could not be met on such short notice.

The show is reported to have carried \$800,000 liability cover at the time of the accident in Baltimore, in Hartford Accident and London Lloyds.

## Scarborough Okla. Special

Bill O. Scarborough, underwriter in the Oklahoma City office of the Frank Rimmer & Co. general agency of Dallas, has been appointed special agent in Oklahoma.

## Maloney Challenges New Excess Limits Rates in Cal.

SAN FRANCISCO — Commissioner Maloney is continuing his investigation of the new excess limits automobile rates promulgated in California last month. He told the governor's council he was concerned because the rate increases were to be nation-wide with state percentage bases.

He questioned the addition of an amendment to the new manuals and instructions "at the last minute," which placed private passenger cars in California on the same basis as commercial vehicles. He also pointed out that California's increase was 100% compared with 36% in other states. He said he was led to believe that California would also receive this same increase.

Mr. Maloney is challenging these rates and reported that his investigation continues "with the companies cooperating."

## Credit for Unauthorized

Governor Dewey of New York has signed the bill that would permit casualty insurers to take credit for reinsurance in unauthorized as well as authorized companies, for loss and expense reserve calculation.



## TIME ON YOUR HANDS?

No alert general insurance man can ever claim enough selling time. The days just aren't long enough.

Catastrophe  
Medical Coverage  
Hospitalization . . .  
Individual & Family  
Aviation & Travel  
Accident . . .  
World-Wide Unusual  
and Extraordinary  
Special Risks  
A&H Income  
Protection . . .  
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One sure way to make every selling minute do double duty is to add a complete line of accident, health and hospitalization coverages. Your present clients . . . future prospects in all lines are the best possible source of new A&H business. Our broad range of A&H facilities gives you the unequalled advantage of the right coverage for every purpose.

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## Zone 4 Raters Pose Questions on Casualty Plans

Questions on company rating procedures, their development and usage occupied the first open session of the six-day gathering of the Zone 4 rating organization at Chicago this week.

The meeting is divided into three parts, covering casualty the first two days, followed by fire and marine, and accident and health. The first day on each subject is an executive session and on the second day the industry representatives are asked in.

There were 24 on hand for the casualty session, including the rating men from South Dakota, Minnesota, Iowa, Wisconsin, Michigan and Illinois. L. R. Coddington of Illinois is secretary of the Zone 4 raters and was chairman for the casualty meeting.

There were a number of bureau people attending, among them being E. A. Twaits and Harry Fuller of National Bureau of Casualty Underwriters; C. H. Graves, Mutual Insurance Rating Bureau; Vestal Lemmon, National Assn. of Independent Insurers; Howard Omsberg and J. M. Japenga of National Automobile Underwriters Assn.; Robert Icks, Illinois Bureau of Casualty Companies, and Roy Davis, Assn. of Casualty & Surety Companies.

### Composite Rating Concern

The department men showed some concern over the use of composite rating for casualty, wondering whether, as this plan develops, so much business might be thrown into this classification that the basis for manual rates would become shaky. Composite rating is used on large risks having premium of \$5,000 or more, and experience on this business is kept separate and not used in making

manual rates. The departments would like to have reports showing the size of premium volume involved and the number of risks involved, together with a breakdown as to how the volume is split by classes of business.

This plan is new, and no reports were kept on it in its early stages two or three years ago. However, now it is being reported to the bureaus and they will attempt to give the commissioners some data before the June meeting of N.A.I.C.

To start off the discussion of experience and schedule rating plans and fleet rating plans, Mr. Coddington posed the question—Why shouldn't experience rating plans be applied on a mandatory basis for all eligible risks?

### Would Raise Eligibility

Mr. Twaits said that if this were done, it would be necessary to make eligibility requirements much higher. It would be a heavy burden on the companies individually to rate so many risks.

The department people feel that the experience rating privileges are being granted "on the color of the insured's eyes" and there is no uniformity in its application.

Competition will largely take care of this, the company people answered. An alert buyer will see to it that he gets the best rate available, or his agent will do that for him. If an insured discovers that he has not been getting a rating plan to which he is entitled, he can always get it from another company.

It was mentioned that some risks that are eligible for experience rating have special hazards for which an underwriter would want to get more money than he might under experience rating. By giving credits, the company cannot build up a reserve for risks containing a catastrophe hazard. The element of underwriting judgment was stressed heavily by the company people, who maintained that the use of a rating plan, or the manner in which it is used are

both matters for the underwriter to decide in view of the peculiarities of each risk.

The department people argued that their issue was with the misuse or abuse of experience plans, especially when schedule rating is brought into play. It is not only the merits of the risk that are considered when the experience rating is applied, they said, adding that the judgment of the underwriter as a factor in rating is overly emphasized.

Richter of Minnesota and Atwell of Michigan said the idea of the rating meeting is to keep the departments' houses in order and maintain regulation at the state level. Mr. Atwell said the departments had rate regulation thrust upon them in 1948, and the answers to all the questions are still unknown. Many of the department men are unacquainted with why five automobiles are considered a fleet, or why certain language is used in rating plans. They want to get together on a friendly basis with the companies and obtain an understanding of this field. The company men must understand that the commissioner's problem is different. The commissioners are the direct servants of the people and have different battles to fight. There is no blackjack to wave about, he said, it is just a matter of the departments being anxious to get some information.

Roy Davis said that nearly all of the problems propounded are of an internal nature. There is no pressure from the outside, and there is a good, if local, reason for nearly any of the practices in question.

The afternoon was given over to a meeting between the departments and the N.A.U.A. on the question of N.A.U.A.'s rating plan.

On the agenda for the fire and inland marine meeting were the statistical plans of the National Board and Mutual Insurance Advisory Assn.; separating the fire portion of premiums and losses from the remainder of coverage under inland marine statistical plans; National Board guiding principles of classifying fire underwriting experience, and adoption of a uniform statistical period for reviewing E.C. or wind-storm experience.

On the agenda for accident and health discussions were franchise A. & H.; terminal maternity benefits; Minnesota rule on catastrophe coverage; war exclusion riders and policyholder complaints.

### Six New Officers Named by American Mutual Liability

Six new officers have been elected by American Mutual Liability. New assistant vice-presidents are: Richard B. Cooper, Arthur M. McCarthy, and William D. Spencer. Randall C. Kean was elected assistant secretary. Joseph T. Davey, Jr., Chicago, and M. Paul McQueen, Atlanta, were elected as resident vice-presidents.

### Ore. Assigned Risk Report

The annual report for 1951 of the Oregon automobile assigned risk plan shows 6,785 new applications made and 7,070 renewal assignments. Of the new applications, 5,384 were completed and 3,218 of the renewal assignments, altogether 8,602 resulting in issuance of policies.

Total premiums for the year were \$405,982.

### N. Y. Legislative Committees

The New York joint legislative committee on insurance rates and regulation has been provided \$40,000, an increase of \$5,000, by the legislature, for its work in the coming year. The committee on motor vehicle problems got \$30,000, up \$5,000. The one on unsatisfied judgments was continued, with \$25,000.

S. Abbot Smith, president of Thomas Strahan Co., wallpaper manufacturers of Chelsea, Mass., had been elected a director of American Mutual Liability.

## CHANGES

### Six Officials Are Advanced by Government Employees

Government Employees at the annual meeting made six promotions. Leo G. Goodwin, Jr., was advanced from vice-president to executive vice-president. His father is president of Government Employees. L. A. Davidson was advanced from assistant to the president to financial vice-president; A. K. Hatfield from assistant treasurer to treasurer and comptroller; R. F. Rodgers, chief accountant, to assistant treasurer; Robert F. Springer from manager of the I.B.M. division to assistant comptroller, and W. R. Tinsley from manager of office services to assistant secretary.

Two new directors were elected: Lorimer A. Davidson, assistant to the president, and Harvey B. Gram, Jr., treasurer of Washington Stock Exchange.

### Name Three Special Agents

American Surety has appointed three new special agents.

Walter P. Livingston has been made special agent at Newark. He started there in 1950 as an assistant underwriter in the casualty unit.

At Kansas City Henry D. Casey has been appointed special agent. He joined the company in 1951.

William E. Clohessy has been named special agent at Oklahoma City. He started with the company in 1951.

### T. W. Dickson Is Elevated

Thomas W. Dickson, 2nd, has been elected assistant secretary of Indemnity of North America. He will supervise automobile underwriting.

Mr. Dickson joined the company in 1930 in the statistical department. He was transferred to the automobile department in 1940 and subsequently became supervising underwriter. In 1949 he was promoted to assistant superintendent.

### Hume Joins Seaboard

Robert R. Hume has joined Seaboard Surety as an attorney at the home office. He formerly was on the legal staff of American Surety. He joined American Surety in 1933 in the claim department and then became manager of the fidelity salvage division.

### Coyne Joins National Fire

Robert J. Coyne has been appointed Ohio special agent in charge of casualty operations of National Fire. He will make his headquarters at Cleveland. Mr. Coyne has been a casualty field representative since his army discharge.

### Hockenberry to Texas Post

N. L. Hockenberry, who has been with the underwriting department at Chicago of Glens Falls, has been appointed chief underwriter of Alamo Casualty and General Lloyds of San Antonio.

### Swann Payroll Audit Chief

Stanley A. Swann has been appointed superintendent of the payroll audit department of Royal-Liverpool in its Pacific department headquarters at San Francisco. He succeeds the late George Taggart. Mr. Swann has been with the organization 27 years in the payroll division.

### Krum to Speak at Columbus

Ohio Assn. of Casualty & Surety Managers will meet March 31 at Columbus. C. L. Krum, Cleveland manager of Aetna Casualty, will speak on "The Problems Confronting Our Business in Ohio Today."

## A NEW BRANCH OFFICE

No. 33

**Lexington, Kentucky**

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W. E. KINGSLEY, Manager

To service Agents and Brokers for Kentucky located risks where special coverages are required.

We especially solicit the placing or countersigning of coverages with Underwriters at Lloyd's, London, for whom we are correspondents.

All Kentucky risks will be given fastest handling in accordance with Lloyd's filings.

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## ACCIDENT AND HEALTH

### Speakers Ready for Two A. & H. Sessions

Travis T. Wallace, president Great American Reserve; James D. Dunning, assistant vice-president New York Life, and Harry S. McConachie, vice-president and superintendent of agents American Mutual Life of Iowa, and president of L.I.A.M.A., will be featured speakers at the opening session of the A. & H. meeting of L.I.A.M.A. at Chicago, April 7-9.

Mr. Wallace will expand his comments made at last year's meeting on A. & H. as a partner of life insurance in agency department planning; Mr. Dunning will report on the progress made by his company since entering the A. & H. field last year, and Mr. McConachie will present a message from the L.I.A.M.A. board.

A panel on combined training for life and A. & H. sales, led by Harland L. Knight, agency vice-president Paul Revere Life, will conclude the first day's activity. Panel members include Wesley J. A. Jones, director of A. & H. sales Mutual Life; Roswell C. Laub, vice-president and director of agencies Monarch Life, and J. E. Rawles, assistant superintendent of agencies and director of training Reliance Life.

#### Second Day Program

The second morning will be devoted to a series of quick sales idea talks bringing out unusual uses for A. & H. insurance. Lyman C. Baldwin, Security Life & Accident, will preside and speakers will be Christopher F. Lee, Columbian National; N. Murray Longworth, United Benefit; D. C. MacEwen, Occidental of California; William J. W. Merritt, Wisconsin National; Robert S. Schoonmaker, Jr., Berkshire Life; and Carl H. Lane, General American Life.

In the afternoon a panel discussion of sales management problems will be in charge of Edward R. Hodgkins, Paul Revere. Participants will be E. J. Faulkner, Woodmen Accident; James E. Scholefield, North American Life & Casualty, and Mr. MacEwen. The discussions will be concerned with balancing production between life and A. & H., and balancing types of A. & H. production.

That evening Fred S. Sibley, Pacific Mutual, will show his company's film, "A New and Unusual Savings Plan."

### Bankers, Ia., Names Elstner, Pittman in A. & H. Dept.

Bankers Life of Iowa has named Joseph Elstner A. & H. training assistant, and Malcolm Pittman to the A. & H. policy department.

Mr. Elstner entered the business with the McGee general agency at Kansas City in 1947. The following year, he joined Travelers there as a field assistant. In 1950, he was appointed manager of the disability department of the Strauss agency, also at Kansas City. Mr. Pittman has been in the business since joining Business Men's Assurance at Kansas City in 1946. He was supervisor of the policy issue section there for two years, and home office underwriter for two years.

### New Austin, Tex., Officers

Austin (Tex.) Assn. of A. & H. Underwriters has elected Jack Sucke, Continental Casualty, president; B. A. Lauderhill, American Hospital & Life, vice-president; Leslie A. Ginn, Business Men's Assurance, vice-president and chairman of the executive committee.

E. C. Cox, manager of the A. & H. department of Alamo Casualty, San Antonio, said the field for A. & H. sales is rapidly expanding because of the increased earnings of the average worker, due in part to inflation, the fact that the

frequency of accidental injuries has been impressed upon people, and the rapid growth of industrialization in Texas, which has increased the number of workers in need of such protection.

### Hvale, Foody, Harpham and Bradley Are Promoted by Continental Casualty

Continental Casualty has made a number of changes in the A. & H. department. A. B. Hvale has been advanced to consulting actuary, and Walter M. Foody, Jr., becomes chief actuary, the position formerly held by Mr. Hvale. In the A. & H. advertising and sales education department, John W. Harpham has been named manager. In the wholesale division, M. F. Bradley has been named superintendent.

Mr. Hvale, who has been largely responsible for the variety of coverages in the nine divisions of the A. & H. department of Continental, will devote his time to relations within the industry and with state insurance commissioners.

Mr. Foody, before joining Continental in 1950, taught mathematics for six years at Loyola University of Chicago. During the war he was an officer in the air corps for four years. He has helped develop new formulas that figure in rate and risk calculations in recent A. & H. innovations.

Mr. Harpham joined Continental in 1948 and served as editorial assistant for two years before becoming assistant director of the A. & H. advertising and sales education department. Before that he was editor of a professional magazine and for two years was with a Chicago advertising agency. He was an officer in the navy and is a graduate of Northwestern university. As manager of the A. & H. advertising and sales education department, he will have responsibility for execution, scheduling and production of advertising literature and promotional materials, and will edit the "Continental A. & H. & H. News." Norman E. Anderson is director of the A. & H. advertising and sales education department. He has been with the company since 1941, becoming director of A. & H. advertising and sales education in 1942.

Mr. Bradley has had 22 years of insurance experience. Before joining Continental recently, he was a partner in an insurance brokerage firm at Seattle for three years, and before that managed a non-profit hospitalization program in Washington.

### Empire L. & A. Is Host

Empire Life & Accident of Indianapolis on Thursday was host an informal open house at the company's new home office building at 2804 North Meridian street. The building, which was only recently completed, is now occupied and functioning as the home office quarters.

### Upping UCD to \$30 in N. J.

New Jersey senate has approved the state administration measure to increase unemployment compensation disability from \$26 to \$30 a week. The bill goes to the assembly.

### Survey Health Cover in Cal.

California Chamber of Commerce has started a comprehensive survey to determine how many residents of California are covered by privately financed voluntary health insurance and what protection is afforded by the various

types of programs.

President Adrian J. Falk in announcing the program said President Asa V. Call of Pacific Mutual Life, a former president of the state chamber, had been named a chairman of the committee in charge of this work.

Survey questionnaires will be sent to all insurance companies, hospital and medical service organizations and fraternal organizations that offer prepaid medical insurance in California.

### R. B. Livergood to Leave Illinois Department April 1

B. B. Livergood, supervisor of the policy examination branch of the Illinois department, is retiring April 1. He is planning to go into business at Decatur, Ill., as a consultant for insurance companies. He will be succeeded by Harold E. McCabe, assistant supervisor of the policy examinations. Mr. Livergood has been with the department since 1927.

Mr. McCabe has been in the department for two years.

American Progressive Health of New York has appointed Walter Prochot Florida manager with headquarters in the Hildebrand building, Jacksonville. Joseph Soper has been placed in charge at Louisville. Mr. Prochot has been a

supervisor at Chicago for Bankers Life & Casualty and before that was with New York Life at Chicago. Mr. Soper has been with Continental Casualty at Chicago.

### Continental Casualty Raises Family Polio Policy Rate

Continental Casualty has increased the rate for its two-year family polio policy to \$15. This policy has been selling for \$10 for two years. No change has been made in the premium of \$5 for the two-year individual policy.

Continental explains that during 1949 when it introduced its two-year policy, the country had the worst polio epidemic in history, and the next two years were also severe. When this was coupled with an inflationary trend, the rate proved inadequate.

### Chaney Named in Arizona

Charles S. Chaney has been named agency manager for Arizona for Woodmen Accident. He has been with the company for five years, most recently as district manager in California.

Kenneth E. Bovee of the Bovee-Fergus agency, Shawnee, Okla., is a candidate for the city commission there.

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## 1951 Company Results Given

Surplus in the following company reports refers to surplus to policyholders.

**Am. Hospital-Medical Ben.**—Assets, \$785,230, decr., \$131,599. Loss res., \$264,680. Unearned prem., \$135,612. Surplus, \$355,250, decr., \$111,451.

	Premiums Earned	Losses Incurred
Hospital-Surgical-Medical	4,171,727	3,211,402
<b>Bankers Mutual Fire, Pa.</b> —Assets, \$229,219, inc., \$18,714. Loss res., \$99,107. Surplus, \$85,210, decr., \$24,530.		
Fire	21,804	5,814
Ext. coverage	1,627	580
Inland marine	180	36
Auto phys. damage	541,443	286,317
Total	565,055	291,587

**Cotton & Woolen Mfrs. Mut.**—Assets, \$15,042,355, inc., \$1,675,338. Loss res., \$684,422. Unearned prem., \$7,437,450. Surplus, \$6,582,918, decr., \$472,943.

	Premiums Earned	Losses Incurred
Fire	5,149,552	980,876
Ext. coverage	10,812	225
Sprinkler & water damage	3	63
Expl., riot, civil comm.	2,599	2
Earthquake	59	
Total	5,163,925	981,166

**Country Mutual Casualty, Ill.**—Assets, \$13,898,639, inc., \$55,529. Loss res., \$5,355,124. Unearned prem., \$3,941,145. Surplus, \$3,376,839, inc., \$294,412.

	Premiums Earned	Losses Incurred
Liability (not auto)	536,556	331,610
Auto liability	2,075,542	1,960,011
Auto prop. damage	1,724,644	1,585,143
Auto phys. damage	7,492,027	4,211,915
Prop. dam. (not auto)	67,324	11,513
Surety	7,089	
Auto-Medical	624,993	411,558
Livestock	3,860	1,530
Total	12,432,650	8,513,282

**Farm Owners Mutual, Minn.**—Assets, \$1,184,567, inc., \$202,883. Loss res., \$133,197. Unearned prem., \$635,728. Surplus Certificates, \$161,440. Surplus, \$319,388, decr., \$270,936.

	Premiums Earned	Losses Incurred
Fire	306,168	246,074
Ext. coverage	78,978	89,597
Torn., wind., hail	41,405	26,870
Crop-hail	184,396	62,230
Inland marine	19,505	11,234
Prop. dam. (not auto)	15	
Turkey	540,148	225,390
Total	1,170,615	661,495

\*Decrease due to change in unearned premium reserve. Company went non-assessable July 1. Reserves were increased approximately 50%.

**Farmers Mutual Reins., Ia.**—Assets, \$1,510,739, inc., \$356,927. Loss res., \$124,441. Unearned prem., \$73,298. Surplus, \$1,270,929, inc., \$377,602.

	Premiums Earned	Losses Incurred
Fire	696,601	333,625
Ext. coverage	4,624	
Torn., wind., hail	144,501	28,033
Unallocated	12,186	9,646
Total	857,912	371,304

**General Lloyds F. & C., Texas**—Assets, \$1,436,034, inc., \$112,260. Loss res., \$179,457.

Unearned prem., \$654,623. Guaranty Fund, \$130,000. Surplus, \$515,939, decr., \$39,700.

	Premiums Earned	Losses Incurred
Fire	42,345	31,297
Ext. coverage	26,361	5,009
Inland marine	44,873	10,169
A. & H.	84,883	9,212
Workmen's comp.	48,007	33,230
Liability (not auto)	5,008	—171
Auto liability	191,113	89,834
Auto prop. damage	125,447	60,909
Auto phys. damage	785,545	552,450
Prop. dam. (not auto)	1,008	6
Glass	453	232
Burglary & theft	1,072	440
Total	1,356,189	792,620

**General Mutual Ins. Co., N. Y.**—Assets, \$3,554,007, inc., \$391,171. Loss res., \$1,727,691. Unearned prem., \$790,546. Surplus, \$562,398, decr., \$21,848.

	Premiums Earned	Losses Incurred
Group A. & H.	27,897	14,717
Workmen's comp.	925,249	538,698
Liability (not auto)	88,597	52,834
Auto liability	771,243	454,556
Auto prop. damage	348,364	180,690
Prop. dam. (not auto)	20,856	4,526
Total	2,182,209	1,246,024

**Guarantee Ins. Co., Cal.**—Assets, \$2,839,643, inc., \$75,138. Loss res., \$1,195,533. Unearned prem., \$717,824. Capital, \$311,280. Surplus, \$287,589, decr., \$99,974.

	Premiums Earned	Losses Incurred
Group A. & H.	29,152	28,228
Workmen's comp.	2,483,060	1,370,510
Liability (not auto)	118,760	44,517
Auto liability	148,676	59,384
Auto prop. damage	95,384	69,491
Auto phys. damage	159,139	95,539
Prop. dam. (not auto)	39,561	16,920
Burglary & theft	27,122	8,579
Total	3,098,854	1,693,168

**Home Mutual Fire, N. Y.**—Assets, \$1,475,031, decr., \$21,563. Loss res., \$52,312. Unearned prem., \$639,302.

	Premiums Earned	Losses Incurred
Fire	340,371	177,381
Ext. coverage	55,510	12,497
Torn., wind., hail	2,173	1,687
Sprinkler & water damage	644	3
Inland marine	24,398	13,804
Aircraft phys. damage	101,908	45,063
Reins. prem. adj.	44,147	
Total	450,892	250,437

**Industrial Indemnity Co., Cal.**—Assets, \$26,377,033, inc., \$1,473,402. Loss res., \$17,586,644. Unearned prem., \$2,311,878. Capital, \$687,300. Surplus, \$4,359,865, inc., \$263,361.

	Premiums Earned	Losses Incurred
Workmen's comp.	21,880,671	16,924,348
Adj. from reciprocal	130,637	—216,630
Total	22,011,308	16,707,717

**Law Union & Rock, England**—Assets, \$3,588,155, inc., \$213,815. Loss res., \$158,105. Unearned prem., \$1,632,267. Deposit, \$400,000. Surplus, \$1,708,577, inc., \$124,223.

	Premiums Earned	Losses Incurred
Fire	780,862	328,744
Ext. coverage	196,112	100,695
Torn., wind., hail	—4,038	3,251
Sprinkler & water damage	2,673	172

	Premiums Earned	Losses Incurred
Expl., riot, civil comm.	2,208	30
Earthquake	1,679	
Inland marine	40,654	19,974
Aircraft phys. damage	6,160	2,028
Auto phys. damage	224,812	98,901
Total	251,025	553,199

**London & Lancashire, England**—Assets, \$12,567,637, inc., \$386,713. Loss res., \$748,145. Unearned prem., \$7,535,363. Deposit, \$500,000. Surplus, \$3,641,445, inc., \$315,302.

	Premiums Earned	Losses Incurred
Fire	3,523,568	1,517,141
Ext. coverage	924,849	464,298
Torn., wind., hail	—21,113	15,451
Sprinkler & water damage	12,274	809
Expl., riot, civil comm.	10,558	148
Earthquake	7,948	
Inland marine	193,365	94,877
Aircraft phys. damage	29,263	9,635
Auto phys. damage	1,067,808	469,785
Total	5,749,122	2,572,148

**Middlesex Mutual Fire, Mass.**—Assets, \$7,726,905, inc., \$402,557. Loss res., \$271,342. Unearned prem., \$2,964,460. Surplus, \$4,293,565, inc., \$369,085.

	Premiums Earned	Losses Incurred
Fire	1,381,749	423,700
Ext. coverage	221,419	83,346
Torn., wind., hail	—256	—261
Sprinkler & water damage	3,179	241
Expl., riot, civil comm.	55	
Earthquake	432	
Aircraft phys. damage	8	453
Auto phys. damage	1,553,336	604,570
Catastrophe	—69,097	—47,093
Total	3,090,827	1,066,957

The above figures report the business of **Middlesex Mutual Fire Ins. Co., Concord, Mass.** Reported in the March 6 issue was the company of similar name, **Middlesex Mutual Assurance Co., Middletown, Conn.** erroneously listed as the Massachusetts company.

**Millers National, Ill.**—Assets, \$10,792,717, inc., \$511,814. Loss res., \$1,042,817. Unearned prem., \$5,522,998. Perm. Fund, \$1,000,000. Surplus, \$3,704,580, inc., \$349,000.

	Premiums Earned	Losses Incurred
Fire	3,549,670	1,551,956
Ext. coverage	734,738	462,355
Torn., wind., hail	96,480	50,107
Sprinkler & water damage	10,359	2,054
Expl., riot, civil comm.	646	—56
Earthquake	4,949	
Ocean marine	135,261	111,230
Inland marine	705,252	322,605
Ocean marine, war	1,477	
Aircraft phys. damage	5,014	412
Auto phys. damage	182,526	82,179
Total	5,424,378	2,382,845

**Mountain States Mutual Cas., N. M.**—Assets, \$1,271,269, inc., \$200,346. Loss res., \$729,128. Unearned prem., \$179,059. Surplus, \$281,835, decr., \$4,553.

	Premiums Earned	Losses Incurred
Workmen's comp.	974,980	859,145
Liability (not auto)	31,971	43,592
Auto liability	28,623	1,092
Auto prop. damage	22,238	10,492
Auto phys. damage	32,916	10,693
Prop. dam. (not auto)	40,537	23,322
Total	1,133,526	948,438

**New Hampshire Fire**—Assets, \$40,268,798, inc., \$7,347,472. Loss res., \$2,822,809. Unearned prem., \$14,796,999. Capital, \$3,750,000. Surplus, \$16,924,059, inc., \$4,934,727.

	Premiums Earned	Losses Incurred
Fire	7,581,544	3,130,655
Ext. coverage	1,353,641	581,110
Torn., wind., hail	91,693	36,382
Sprinkler & water dam.	11,786	687
Expl., riot, civil comm.	37,894	23,632
Earthquake	38,572	788
Crop-hail	89,945	28,878
Ocean marine	1,126,849	728,204
Inland marine	1,098,911	572,945
Aircraft phys. damage	84,979	47,456
Auto phys. damage	2,447,332	1,211,560
Total	13,963,137	6,360,298

**Orient Ins. Co.**—Assets, \$9,517,999, inc., \$107,716. Loss res., \$472,514. Unearned prem., \$4,765,476. Capital, \$1,000,000. Surplus, \$3,894,369, decr., \$179,350.

	Premiums Earned	Losses Incurred
Fire	2,235,304	957,501
Ext. coverage	589,774	293,931
Torn., wind., hail	—13,016	9,758
Sprinkler & water damage	7,738	512
Expl., riot, civil comm.	6,648	94
Earthquake	5,044	
Inland marine	123,344	59,234
Aircraft phys. damage	18,482	8,086
Auto phys. damage	674,357	296,705
Total	3,647,669	1,624,517

**Rocky Mountain Fire, Mont.**—Assets, \$1,088,415, decr., \$81,708. Loss res., \$65,201. Unearned prem., \$493,358. Capital, \$275,000. Surplus, \$502,150, decr., \$16,878.

	Premiums Earned	Losses Incurred
Fire	236,498	95,895
Ext. coverage	29,700	20,417
Torn., wind., hail	67	
Expl., riot, civil comm.	33	320
Earthquake	171	
Crop-hail	1,977	787
Inland marine	7,006	1,436
Auto phys. damage	282,031	192,450
Misc.	16	
Total	553,035	311,305

**Safeguard Ins. Co., N. Y.**—Assets, \$5,531,988, inc., \$470,997. Loss res., \$196,881. Unearned prem., \$1,985,705. Capital, \$1,000,000. Surplus, \$3,038,203, inc., \$348,842.

	Premiums Earned	Losses Incurred
Fire	936,117	395,269
Ext. coverage	246,582	126,062
Torn., wind., hail	—5,459	4,066
Sprinkler & water damage	3,252	215
Expl., riot, civil comm.	2,764	38
Earthquake	2,099	
Inland marine	50,516	21,964
Aircraft phys. damage	7,700	2,534
Auto phys. damage	282,018	123,625
Total	1,519,893	676,781

**Standard Mutual Cas., Ill.**—Assets, \$981,985, inc., \$66,939. Loss res., \$265,847. Unearned prem., \$245,281. Surplus, \$434,774, inc., \$10,387.

	Premiums Earned	Losses Incurred
Liability (not auto)	556	124
Auto liability	213,565	83,773
Auto prop. damage	139,788	81,581
Auto phys. damage	199,122	70,295
Total	553,031	235,773

## INDUSTRY-BY-AREA

### WSB Liberal on Exceeding Review Criteria Provisions

The wage stabilization board is taking a liberal attitude on employee welfare plans that exceed the WSB review criteria, provided they do not go to obviously unreasonable lengths, according to insurers in this field.

This liberality has been particularly noticeable with plans decided upon through negotiation between employer and union. In general, the WSB attitude seems to be one of permitting reasonably and uniformly liberal plans for each industry in a given area. Thus, one decision on a case resulting from union negotiation may unblock 60 or 70 pending cases in the same industry in that area.

### Avoids National Pattern

This industry-by-area plan of procedure permits the review criteria to be exceeded, yet avoids the "national pattern" of benefits that the industry members of the tripartite WSB panel so vigorously opposed. It allows benefits to be set up that reflect local hospital charges and wage rates.

The WSB staff seems to be exhibiting no tendency whatever to take a technical attitude about processing these plans but is clearly trying to take a realistic view.

### Program Ready for Mutual Management Conference

The program has been completed for the management conference of Conference of Mutual Casualty Companies April 6-8 at the Greenbrier hotel, White Sulphur Springs, W. Va. This will be a two-day business session with April 6 given over to recreation.

On Monday, Adlai H. Rust, executive vice-president of State Farm



## Strong Support for UJF Bill Is Shown in N. J.

At the New Jersey legislature's insurance committee hearing on auto liability insurance at Trenton, strong support developed for a modern type financial responsibility law and an unsatisfied judgment fund operated by the insurers.

Assemblyman Saiber indicated he favored compulsory and Sol Kapelsohn, counsel of the state CIO, spoke for it. Commissioner Gaffney said the FR law is not enough and that the insurance business had agreed to go along with the unsatisfied judgment bill. The motor vehicle department director said he had concluded this was the best approach to the problem. Gaffney also urged passage of the bill that would set up a security fund to protect against insolvency of insurers.

Representing insurance were Ray Murphy, Assn. of Casualty & Surety Companies, Henry S. Moser, National Assn. of Independent Insurers, and C. F. J. Harrington, for New Jersey Assn. of Insurance Agents.

## Ladd Continental's Coast Fidelity-Surety Manager

Continental Casualty has established a fidelity and surety department to handle all underwriting matters on the Pacific Coast and has promoted Donald M. Ladd from manager of the surety department at Los Angeles to manager of the new department.

Mr. Ladd has had many years of specialized experience in the fidelity and surety field. Since going to California he has been with National Surety as assistant branch manager, later with Fidelity & Deposit as associate manager and co-manager of the Los Angeles branch for 18 years.

## Hawley Joins General Re

Alfred M. Hawley has been appointed a claims attorney of General Re. He has been a chief supervisor of the liability claims department of Indemnity of North America and before that was claims attorney of Connecticut Indemnity.

## Discuss Cooperation Plans

Wichita Assn. of A. & H. Underwriters at the March meeting last week discussed means of building better cooperation between the companies and hospitals and doctors. President C. C. Hammond of North American Life presided. There were nearly 100 attending.

Bert A. Hedges, Kansas manager of Business Men's Assurance, reviewed plans for the disability insurance sales course in progress this week at Wichita, sponsored by the Kansas association.

## Name Ohio W.C. Probers

Oliver C. Schroeder, Jr., of Western Reserve University, Cleveland, has been named chairman of the committee to investigate the Ohio workmen's compensation fund and Ohio industrial commission, under authority of the Ohio program commission. State Senator J. W. Bartenek of Cleveland will be vice-chairman and Senator Carl D. Shappard of Akron secretary. There are nearly 40 members of the committee.

## Lewis New Orleans Speaker

Martin Lewis, manager of Surety Assn. of America, on Tuesday addressed a joint meeting of Surety Assn. of New Orleans and Casualty & Surety Assn. of New Orleans.

## Region 4 Card Almost Ready

Plans have been almost completed for the region 4 convention of National Assn. of Insurance Women to be held

at Detroit, March 29-30. Miss Edith M. Smith, Detroit is convention chairman.

Those who will appear on the program include Mrs. Christine Buckwald, Cleveland, 1st vice-president of the National association; Miss Anne F. Cate, Chicago, national treasurer; Irving W. Blumberg, president of Detroit Assn. of Insurance Agents; Frank E. Runey, Royal Indemnity, president of Casualty & Surety Executives Assn. of Michigan, and Commissioner Navarre.

## Buyers' Booklet Gives Warning on Oral Binders

Associated Industries of Missouri, the buyers' organization, has sent a bulletin to the members making suggestions as to how the buyer can follow up when the agent or broker gives him an oral binder. Several recent court decisions have held that loss following such "binder" occurring before delivery of the policies is not covered, and the booklet suggests:

When ordering insurance by telephone or by oral order, the buyer should make up records immediately to refresh his recollection.

He should inquire of the agent the name of the company in which he is binding the risk, and inquire as to his power to bind.

He should require a confirmation or a copy of the binder promptly.

He should be sure the coverage and the amounts and the effective dates are mentioned in the oral agreement and in the letter of confirmation. Special agreements require special attention.

When paying a premium for any binder, be sure that the intention is to pay a premium for any binder ordered. "Don't make the mistake of thinking you have insurance when some insurance representative says: 'We will bind it for you and it won't cost you anything.' If you are not obligated to pay a premium, the insurance company is not obligated to pay a loss."

## Beam Clallam County Head

Charles L. Beam of J. Lyle Beam, Inc., Port Angeles, Wash., has been elected president of Clallam County Assn. of Insurance Agents, succeeding J. M. Davis. Gordon Sandison is vice-president and Earl Story of Thomas T. Aldwell & Co. has been reelected secretary-treasurer.

## Solons in Tribute to Agnew

Both the senate and assembly of the California legislature, now in session, have unanimously adopted similar resolutions in memoriam to the late Frank J. Agnew, for 44 years legislative representative for the stock fire companies on the Pacific Coast and the past 14 years legal and legislative representative of National Board. Mr. Agnew died last December from injuries sustained in a traffic accident in New York City.

## Tells of National Board Work

Walter Barnes, resident adjuster for Western Adjustment at Sheboygan, Wis., discussed the services of National Board at a luncheon meeting of Manitowoc Insurance Board. He also reviewed the history and development of adjustment services and bureaus.

## Ansorge Back to Cleveland

N. H. Ansorge is returning to Cleveland as vice-president of the C. M. Peterson agency after two years as fire and casualty manager for Travelers at Dayton, O.

He was with Travelers at Cleveland from 1942 to 1950 and has been in insurance work 20 years.

Insurance people on the program of the fire department instructors school at Little Rock were Emmett T. Cox, Western Actuarial Bureau, Chicago, and Walter Plangman, director of Arkansas Inspection & Rating Bureau.

## Am. Auto Drops Proposal to Sell New Stock

ST. LOUIS—American Automobile announces that, upon recommendation of its management and its board of directors, the recent proposal to increase its capital stock has been withdrawn because of adverse developments in the market for the company's stock.

## Plan Conn. Mutual Group

Connecticut Assn. of Mutual Insurance Agents will be officially organized and officers will be elected at a meeting at Hartford March 25. Edward Everett, New Haven, is chairman of the organizing committee. Philip H. Crandon, Stamford, Conn., president of Mutual Insurance Agents Assn. of New England, will attend.

## Two New G.A.B. Offices

General Adjustment Bureau has opened a branch office at Marysville, Cal. with Mathew P. Tarasoff as adjuster in charge. Mr. Tarasoff has been in the adjusting field for seven years, having been with Hartford Accident and State Farm Mutual Automobile before

joining G.A.B.

Another branch office has been opened at Pomona with C. L. Kennedy as adjuster in charge. He has been at Pasadena.

## Hold Dinner at Emeryville

Northern California C.P.C.U. chapter held its quarterly dinner meeting at Emeryville. J. E. Doyle, Commercial Union; Ray Poulton, Poulton & Orr; Avery Tindell and Watson Conner presented a panel discussion on present-day problems in liability insurance.

## Zone Meetings in Kansas

The Kansas educational committee in cooperation with Kansas Assn. of Insurance Agents held zone educational meetings March 25 at Russell, March 26 at Salina and March 27 at Hutchinson. Alpha H. Kenna, executive manager and educational director of the Kansas association attended all meetings.

Nashville Assn. of Insurance Women is sponsoring a casualty insurance school with 22 already enrolled. Instructors are W. G. McComas, Fidelity & Casualty, plate glass; W. K. Lambie, American Casualty, druggists, contractual and elevator liability; Fred C. Ermentrot, American Casualty, manufacturers' liability, O. L. & T., and protective liability; E. F. Plauche, Pacific Employers, workmen's compensation.



## Working For You

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## Big Loss in Southern Storms

(CONTINUED FROM PAGE 1)

Hence, while these storms comprise a major insurance loss, they are not of the dimensions to cause a shudder to insurance people who are now conditioned to thinking of the worst in the form of the \$200 million eastern storm of Nov. 25, 1950.

### BLOW TO ARKANSAS

**LITTLE ROCK** — Arkansas has suffered a major disaster in the tornadoes which swept diagonally across the state from southwest to northeast last Friday, leaving 121 persons dead, nearly 1,000 injured and many thousands homeless, with property destruction running into the millions. Insurance claims are expected to total as high as \$3 million. It was described by some veteran adjusters and insurance men here as perhaps the worst tornado disaster which the state has ever suffered.

Hospitals in Little Rock and surrounding cities are overflowing with injured persons from the disaster areas. The Red Cross has moved in with relief crews. Gov. McMath has dispatched the Arkansas National Guard

to the White county area.

The storm entered southwest Arkansas Friday afternoon and struck the mill town of Dierks in Howard county and immediate area about 2:40 p.m., levelling many dwellings, killing a dozen or more persons. The large Dierks Lumber & Coal Co. plant, where most of the men of the community are employed, was unscathed. On unofficial estimate of the damage in this mill town has been placed at \$100,000.

### White County Severely Hit

The tornado then moved northeastward across the state and seemed to divide into separate parts, hitting a number of widely separated communities almost simultaneously. Hardest hit was the Judsonia-Bald Knob area in White county, along U. S. highway 67 in central Arkansas, leaving 52 persons dead and hundreds injured.

Judsonia, a community of 1,122 persons about 50 miles northeast of Little Rock and the home of Commissioner Graves, felt the full fury of the tornado. Practically its entire business district is a mass of rubble as well as many of its homes. School buildings, most of the churches and public buildings are down. The town's fire defenses were seriously impaired when its municipal water tank was blown down. The community today is without water, heat and electricity. Walter Plangman, director of Arkansas Inspection Bureau, and Carl S. Smalley, head of its fire prevention division, made a hurried check-up of the fire situation, and arrangements have been completed for the Searcy fire department, some 8 miles distant, to stand by on an emergency basis. Also, an emergency fire truck is being brought in from Little Rock to serve the community until its own facilities can be rehabilitated.

### Graves' Home Damaged

The home of Commissioner Graves was badly damaged when half of the roof was blown off. Graves, at the time, was in Dallas presiding as chairman over the zone 5 meeting there of National Assn. of Insurance Commissioners. Notified of the disaster, Mr. Graves flew back to Arkansas early Saturday morning.

In Bald Knob, eight miles north of Judsonia, part of the business district lying along highway 67 was badly damaged as well as schools, churches, numerous dwellings and the large sheds on the south end of the town used in the community's big strawberry business in the spring of each year. Damage in Bald Knob, however, is not as extensive as in Judsonia, although several hundred claims are expected and some of them very large.

Early estimates of General Adjustment Bureau places the number of buildings involved in the Judsonia area at about 100 mercantiles, 35 schools, churches, and public buildings, nearly 1,500 residences, and about 150 automobiles with total damage estimated to run about \$2 million or better.

On Saturday morning, some 16 hours after the tornado hit, G. A. B. had already set up a storm office at Searcy staffed with 22 adjusters. Some of these came from Jonesboro, Ark., where a temporary storm office has been in operation since the first of March handling hail claims in an area east of Jonesboro, and the remainder were brought in from Dallas. George Jordan of the G. A. B. Dallas office is in charge.

A temporary storm office was also opened at Blytheville. In all 50 additional adjusters and clerical supervisors have been transferred to Arkansas.

England, Ark., 30 miles east and south of Little Rock, suffered seven dead and scores injured when the storm ripped through the north end of town, missing the main business district and the principal residential section. The Geyer-Adams wholesale grocery warehouse was destroyed and numerous dwellings.

Miraculously, no rain accompanied the twister in England, which may be a factor in holding down the loss to contents in this area. Estimated loss is placed around \$200,000 with from 225 to 250 claims expected.

A number of rural areas in Lonoke and Prairie counties which were hit include Center Point (near Hazen), Sreeton Switch (4 miles east of Carlisle) and the Wattensaw-Oakland area 10 miles north of Lonoke. Nine persons are reported dead in these sections.

In Woodruff county, the tornado struck north and west of Cotton Plant, around Shady Grove. This section of the storm moved northeastward through Cross county, damaging Hickory Ridge and Vannsdale, north of Wynne. Four persons were killed in this area and about 50 reported injured. The most critical cases were taken to hospitals in Memphis.

The storm also moved through Poinsett and Mississippi counties with deaths and property damage reported from around the towns of Marked Tree, Truman, and Manila. Blytheville was hit by heavy windstorms, and from 250 to 300 claims are expected from residential areas in the western sections of this county.

### Climaxes Severe Month

The storm of last Friday was the climax to a month of extraordinarily heavy losses in Arkansas from fire and windstorm. Early this month a \$250,000 fire gutted a two-story building at Jonesboro; the Foreman building (Splawn hotel) at Texarkana suffered a \$100,000 fire; others were: Ozan Lumber Co., Delight, \$250,000, sawmill; Mablevale high school near Little Rock, \$50,000; I. B. Thomas Lumber Co., 9 miles south of Arkadelphia, \$100,000; Southern Lumber Co., Warren, \$40,000, and the W. T. Brennan palatial home near Fayetteville, \$30,000. In addition to these major fires, hail storms in the area east of Jonesboro and around Manila in Mississippi county have accounted for another \$250,000 to \$300,000 in losses.

### G.A.B. MOVES IN TENN.

**NASHVILLE, TENN.** — Charles R. Dickert, executive general adjuster of General Adjustment Bureau, and his staff from Atlanta are being moved from Fayetteville, Tenn., to west Tennessee, probably Jackson, to handle storm damage claims at Dyersburg, Henderson, Lexington, Bruceton and several other towns. J. G. Wilder, with G.A.B. at Jackson, is assisting in setting up the claim office, which is on an emergency basis.

It is estimated that total damage from the force of the tornado may reach \$4 million.

### HODGENVILLE, KY., LOSS

**LOUISVILLE** — Hodgenville was the only Kentucky town that was hard hit in the tornadoes March 22 where about a dozen residences were wrecked, also the Shoffner Lumber Co., and the LaRue County Fair Grounds buildings. A dozen or more persons were injured, and also a number of barns and farm buildings unroofed or blown down out in the county.

Total damage there was estimated at \$250,000. Shoffner Lumber Co. had its office and sales building unroofed and partially wrecked, also lumber sheds, and a considerable amount of lumber blown over a wide area. Loss will be largely a question of how much of the lumber can be salvaged. The lumber company loss may run as high as \$85,000, on which it is understood there was \$32,000 insurance, including buildings and stock.

The county fair grounds building and about a dozen residences also were destroyed.

### Large Reservoir Bond

Suretyship aggregating \$6,682,070 has been arranged by Fidelity & Casualty and Aetna Casualty binding four of the nation's large construction organizations to the U. S. engineers.

The underlying contract of \$8,364,141

was awarded to the joint venture combination of the Al Johnson Construction Co. of Minneapolis, Peter Kiewit Sons Co. of Omaha, Condon-Cunningham Co. of Omaha, and Western Contracting Corp. of Sioux City, for the construction of the spillway, stage DI, for the Fort Randall reservoir project, near Lake Andes, S. D.

Fidelity & Casualty Co., through its Minneapolis office, arranged the bonds covering its 54% share of the 50% performance bond and the \$2½ million payment bond while Aetna Casualty handled the remaining 46%.

### Can Get W.C. Bound by Asking for It in Texas

L. H. Flewellen, chairman of the Texas industrial accident board, has put out a bulletin expressing the belief that if an employer addresses any compensation writing insurer in Texas applying for compensation insurance and offering to pay the initial premium in advance, and furnishing the Industrial Accident Board a signed copy of the written request, that the employer will be covered by compensation from the day that such request is received by the insurance company. The application, according to Mr. Flewellen, should show the employer's name, place of business, kind of business, approximate number of employees and estimated amount of the payroll.

He starts out by saying that insurers are required to accept all compensation risks tendered them and they have no right to select one employer and decline to write another employer. Companies writing workmen's compensation may not select their risks and may not reject an application for insurance. He cites the case of Harris vs. Traders & General, 82 S.W. 2nd 750; Federal Underwriters Exchange vs. Walker, 134 S.W. 2nd 388, and Texas Employers vs. U. S. Torpedo Co., 26 S.W. 2nd 1057.

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# Bank Defalcation Increase Alarming

(CONTINUED FROM PAGE 13)

ties for misappropriation of funds, Dr. Cramer notes.

Another set-up that has facilitated irregularities is that of an employee of a bank with an outside business, especially if the business has an account with the bank which employs him.

It is natural for people to think a banker is trained in finance and therefore would make a good treasurer of the city or school district or church or club. One banker who was town treasurer sold the town's bonds that had been called for redemption and put the money in his pocket. He avoided detection for several years by paying interest on the coupons. When the bonds came due and were presented for payment, he had to give up.

In another case, the banker was hired as town auditor and in this dual capacity managed to conceal his manipulation of the town's account for several years. As cashier of the bank he certified incorrect bank balances to himself, as town auditor.

On 15 banks closed because of large defalcation the bond coverage was wholly inadequate to cover the loss. Dr. Cramer notes, however, that the amount of the bond coverage slightly exceeded the standard suggested by the insurance and protective committee of American Bankers' Assn. That coverage is a minimum standard and does not pretend to afford adequate protection. No one maintains that fidelity insurance should take care of all losses due to defalcations.

Standards suggested by A.B.A. afford a yardstick only of the average experience with defalcation losses sustained by banks in different sized groups.

It would be a illusory to place too much confidence in fidelity coverage, Dr. Cramer writes. No individual in his right mind takes liberties with his

health simply because he has a life insurance policy. Similarly, no bank can afford to ignore those practices and safeguards whose observance reduces the need for fidelity insurance. The first line of defense against defalcations lies in the rigid and regular internal controls of management.

He warned against "indispensable" employees who do not take vacations. A bank should provide paid vacations and insist they be taken regularly. More banks are doing this and thus are greatly reducing the opportunity for concealing dishonesty.

Bank salaries are another phase of the defalcation problem. Unusual temptations are placed before bank employees. They deal in money and come to have a kind of contempt for it. At the same time they see in it the solution to pressing personal problems. After dealing in six figures, five days a week, it must come as a let down to take home a few dollars in the pay envelope. The combination of temptation and inadequate salaries, in terms of parity with jobs of comparable responsibility, is more than some employees can resist.

Several banks have fortified their internal controls with the lie detector technique, he writes. They begin this problem by getting a specialist in this field to give every employee, officers and all, a lie detector test. Subsequently, every new employee is tested as part of the employment routine, and the whole staff is tested periodically.

Perhaps psychological tests could be used. If it is possible for aptitude tests to show if a person will be a good salesman or a good mechanic or a good bookkeeper, why would it not be possible to design a test that would show a job applicant's ability to withstand temptation?

## New Lang Agency Quarters

The W. A. Lang agency at St. Paul is now occupying ground floor offices in the recently completed addition to the St. Paul F. & M. building. The agency has long been closely associated with St. Paul F. & M.

## Mich. Bill Would Set Up Public Rights at Hearings

LANSING, MICH.—A bill introduced in the Michigan senate would prescribe public rights in hearings or similar administrative proceedings before state administrative agencies such as the insurance department.

It would permit setting of definite rules of procedure, the hearing of contested issues, and would establish a definite procedure for issuing decisions and orders.

Criticism has arisen occasionally relative to the conduct of insurance department hearings. In one recent case, particularly, it was contended that a special deputy ordered exceptionally severe penalties after a hearing. Analysis of the law, according to the department's counsel, indicated the commissioner, once having named a deputy for the hearing, had no right to interfere and that the deputy's findings must stand.

Arthur E. Ramberg has been reappointed to a four-year term on the Minnesota industrial commission.

William B. Nelson of National Standard has been elected president of Jacksonville, Fla., Assn. of A. & H. Underwriters. G. A. Crutchfield is vice-president and E. E. Niemi secretary.

Walter H. Baird has purchased an interest in the Insurance Service Agency at Columbia, Mo., and has formed a partnership with Ralph K. Pfremmer, owner and operator of that agency. He

has been sales promotion manager of Missouri Store Co., and is a native of Columbia.

## Buyers Study Self-Insurance

The self-insurance committee of New York chapter National Insurance Buyers Assn. has begun a survey and study of self-insurance and its practicability due to the high taxes being imposed on self-insurance funds. The committee will include in its study self-insurance in the small business, self-insurance in casualty and allied lines and self-insurance of workmen's compensation.

The committee welcomes the cooperation of other groups that have made or are making a similar study. The committee will be pleased to receive any data that has been compiled by insurers or other sources, in order that a complete review of this very important subject may be made.

Members of the committee are; A. M. Schmidt, insurance manager Johns-Manville Corp., chairman; Ogden Bradley, U. S. Plywood Corp., and A. Lieberman, West Disinfecting Co.

Several hundred brokers, agents and company executives attended the opening of the new headquarters of Argonaut Underwriters, California compensation writer, in the former Maryland Casualty building at San Francisco.

Schiff, Terhune & Co. New York, has appointed John P. Ross as an account executive. He joined the brokerage firm in 1949.

Arthur G. Machold of American Re spoke at the March dinner of the Reins Club at New York.

New officers elected by Insurance Women of Milwaukee are: Mayme Schuch, Gollusch agency, president; Esther Wolf, Employers Mutual, vice-president; Grace Baumann, Baerwald-Hoffman-Agency, treasurer; Elsie Maler, American, corresponding secretary, and Beverly Ernst, New York Life, recording secretary.

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## Much Interest in Liability Panel

(CONTINUED FROM PAGE 23)

of which notice can be given to the insurance company falls under this classification. He discussed the greatly increasing field for errors and omissions and malpractice liability insurance, as well as the growth of claims based upon slander, libel, invasion of privacy and the like and the growth of insurance to cover this. He also pointed out the very marked trend in holding charitable institutions liable for injuries, four states having reversed previous decisions on this subject during the past year.

Mr. Benson made a decided hit with his recitation of a number of actual interesting cases which he has handled. He said that the subject of proper reserves has been a source of considerable difficulty during the present inflationary period and added that it is very difficult for any claim man to make an estimate, particularly in view of the time which usually elapses between an accident and the hearing of a suit. He said, for example, that a verdict for \$15,000 rendered two years after the accident may not represent any more purchasing power than \$10,000 did when the accident occurred. He also said that hospital rates since 1941 have increased 174% and average verdicts in New York, the only state in which such figures are available, have increased 94%. Automobile repair costs have gone up 134% and workmen's compensation benefits have been increased about 30%.

During the question period, Mr. Benson said that no one as yet devised a proper formula for estimating an adequate reserve, that it has to be a trial and error proposition and as every veteran claim man realizes, it is a matter of individual judgment, with a strong possibility of error one way or the other.

### Application of Composite Rates

Mr. Elliott discussed a number of questions arising out of the application of composite rates, pointing out that in many cases the basis for the rate factor has to be determined by negotiation between the insured, the carrier and the bureau, and need not be the same factor, such as payroll, on which the underlying liability premium is based.

Mr. Kirchen was asked a number of questions about the time element in product liability coverage. He emphasized that, under present rules and forms, the time of accident controls. That is, if insurance in a particular carrier is in force at the time an accident is alleged to have occurred, that carrier is responsible, even though the product might have been manufactured or sold some years before. Conversely, if insurance has expired and not been renewed prior to the time of accident, there is no coverage, even though insurance was in force when the product was manufactured or sold. Mr. O'Connor answered a number of questions about the meaning of "accident", pointing out that under present court decisions a stupid act on part of an employee of the insured may be an "accident," as long as it appears that the person did not intend to cause damage and if it can be established that he made some effort to avoid causing damage, even though his precautions were futile and perhaps not indicative of his having used much sense.

## Union Rebuffed in NLRB Verdict in State Farm Case

(CONTINUED FROM PAGE 23)

other insurance carrier in the same line without permission of the companies.

"The companies assert that the agents are independent contractors because they are subject to control only as to the results and not as to the details of performing their functions. We agree. It is clear that the right of the companies

to exercise control over the methods and manner by which insurance policies are written and serviced is not reserved by such general references in the agents' contracts of appointment as 'under the direction of the company.' Indeed the method of operation demonstrates that the agents involved herein enjoy wide latitude in implementing the contracts of appointment. It is significant in this connection that agents choose their working time, maintain their own offices, hire, discharge and direct employees in furtherance of agency operations, and represent competing insurance carriers. In addition, agents make only limited monthly reports, are not required to attend company meetings, set their own insurance quotas which are not mandatory, and function with little or no supervision. Though the manner of compensating agents is essentially on a commission basis, the entrepreneurial nature of the relationship in question is also evidenced by the fact that ultimate financial return is dependent upon the extent to which deductions for operating costs result in profit or loss.

"In view of the foregoing and upon the entire record, we conclude that the companies' insurance agents are independent contractors and not employees within the meaning of the act."

## New Protected Risk Coverage Unveiled

(CONTINUED FROM PAGE 1)

tection against loss of commissions. Changing the exclusion rule to permit exclusion of specified perils as well as specified items. Including coverage against explosion of vessels or moving or rotating machinery and coverage against extra expense; putting the molten steel and glass clause in the form instead of by endorsement. Providing for pro rata transactions in calculating refunds. Including rent and rental value coverage. Increasing from \$1 million to \$5 million the limit of

coverage on the reporting endorsement. Providing builders risk business interruption coverage, and allowing resident agents to countersign master policies where more than one state is involved.

With respect to the latter provision, Mr. Cheek said: "I don't think I could approve of an agent in North Carolina signing something in blank under the countersignature law. I want the rule to say on its face the agent must retain in his office a duplicate of the policy." He explained that he had been requested to go into this point by North Carolina Firemen's Assn., which questioned whether some companies were paying in full the firemen's relief fund tax. Requiring a duplicate copy to be retained in the state would give the department a check on the amount of coverage sold.

Col. W. T. Joyner, counsel for the North Carolina bureau, said it would have no objection if the commissioner inserted that requirement into the rule.

### Kelly Raises Question

No objections were raised to the plan, but Mr. Kelly questioned whether it should be left to a company to determine whether a risk could qualify for special rating under the plan. The Factory Mutual Bureau determines this for its member companies, he said. Mr. Ross said that under the new plan proposed by the bureau, an agent would take up the question of each risk with his association, which would investigate and submit a recommendation to the bureau. The bureau then would inform the association whether it felt the risk qualified, and the association would report back to the agent.

Also attending the hearing was Barton F. Curit of Providence, vice-president and secretary of Firemen's Mutual.

Commissioner Cheek took the new plan under consideration, with indications that it will be approved.

Pacific Coast headquarters of Cravens, Dargan & Co., for the past nine years in the America Fore building, San Francisco, will be moved June 1 to the Mills building, occupying ground floor and second floor space.

## Fete Emery & Kaufman at 50th Milestone

NEW ORLEANS — A half century in the insurance business was celebrated by the Louisiana general agency of Emery & Kaufman at a banquet tendered by the companies represented. Those present included agents, brokers, employees and representatives of the Louisiana insurance department. Company hosts were the Meserole com-

Deutsch gave a history of the Emery & Kaufman agency, which is now being carried on by R. Lee Emery, Jr., and Harry S. Kaufman, Jr., who succeeded their fathers.

New Orleans' mayor, de Lesseps S. Morrison, presented Mr. Emery and Mr. Kaufman with certificates of merit and keys of the city for their civic work.

Shown in the picture are, seated, Harry S. Kaufman, Jr., Eberhard P. Deutsch and Mayor de Lesseps S. Morrison and standing is R. Lee Emery, Jr.



panies, Halifax, Continental Casualty, Northern of New York, Seaboard Surety, W. H. McGee & Co. and Delta Underwriters department of National Union.

Col. Eberhard P. Deutsch of the New Orleans legal firm of Deutsch, Kerrigan & Stiles was toastmaster, and the principal speaker was Commissioner Wade O. Martin, Jr., whose address, "Forecast of the Future of Insurance in Louisiana," indicated what the business might expect during the administration of Gov.-elect Robert F. Kennon. Col.

Mr. Emery and Mr. Kaufman also received a handsome gold scroll plaque, suitably engraved, from the agency employees.

Company executives introduced included S. G. Amerman, vice-president, and S. L. Braman, secretary of the Meserole companies; W. J. Huber, secretary of Northern of New York; B. L. Layton, New Orleans manager, W. H. McGee & Co.; Louis Rareshide, New Orleans manager, National Union and F. M. Roesing, Jr., vice-president of Continental Casualty.

## True Conception of Net Cost Needed

(CONTINUED FROM PAGE 23)

of whom are competent, thoughtful and bent on protecting their client's interest. Also risk problems do not have the immediacy of today's and tomorrow's operations.

Programming is coming more and more into vogue and this is serving to acquaint the business executive with risk problems. This means analysis of the risks to which a person is exposed, determination of available means for meeting those risks and adoption of a program designed to meet them most effectively and economically.

He counseled the buyer to first consider possibilities rather than probabilities. Insurance should be taken against losses that if incurred would be financially embarrassing. For example, a factory that is the sole or an important unit of a firm's business should be covered but if a loss would be a matter of indifference or even in effect, a gain, insurance is not indicated.

There has been a great improvement in the way of training agents, brokers and company employees to consider risk problems from the client's point of view.

### Rise of Insurance Manager

The rise of the insurance manager or as Dr. Blanchard characterized him, "risk manager," has been a significant development. In his most effective role he is in charge of all aspects of the risk problems of his employer with adequate authority to secure information and to prescribe and administer solutions. The adequately equipped risk manager sees his problem as a whole and in its related parts. As an expert he is able to deal on a plane of equality with insurers and other experts whose superior knowledge has in the past often baffled the business executive. The best results are attained by harmonious interchange of advice, facilities and service.

On the score of state regulation of insurance, Dr. Blanchard said that it has succeeded in maintaining a high level of solvency and has done much to protect the public from schemes that might, in its absence, have been little more than rackets wearing an insurance mask.

A weakness of regulation is the variation in standards and abilities as between states. This is alleviated by the requirement that an insurer as to all the significant aspects of its entire business must live up to the standards and be subject to the supervision of the most exacting state in which it does business. And most of the business is done by insurers entered in states with high standards. Since insurance is difficult to understand and the operations of insurers complicated and highly specialized, the insurance departments act as the expert representatives of the public to penetrate this maze and "so far as may be, see to it that technical processes are employed to proper ends."

### California Associations Elect

Newly elected officers of local associations affiliated with California Assn. of Insurance Agents include:

El Monte—President, Charles Gallagher; vice-president, Victor Booth; secretary, Joe N. Neer.

Imperial Valley—President, Jack B. Hart, Brawley; vice-president, Warren Washburn, El Centro; secretary, Charles H. Knights.

Napa County—President, Kenneth Imrie; vice-president, Angelo Turchetti; secretary, Bernard Jacobs.

Modesto—President, R. J. Giddings; vice-president, Clarence R. Johnson; secretary, Edward C. Davis.

San Bernardino—President, Charles J. Cooper; vice-president, Warren J. Freeman; secretary, Norris V. Cholsnet.

H. M. Canavan, assistant chief inspector for Mutual Boiler of Boston, addressed the Richmond section of American Welding Society at a dinner meeting.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Upper Peninsula Meeting at Escanaba May 23-24

The convention of Upper Peninsula Assn. of Insurance Agents is to be held at Escanaba, Mich., May 23-24. F. Loren Rogers of Ontonagon, the president, stopped off at Escanaba for a conference on convention plans, on his way to Milwaukee for the midwest territorial conference. Among those at the conference were Arthur Goulais of Escanaba, vice-president-secretary, and Irving Tollefsen of L'Anse, vice-president.

### View Films at Wichita

Wichita Assn. of Insurance Agents viewed the new films, "Insurance Against Fire Losses," produced by the commerce school of University of Pennsylvania, and "Fire Prevention in the Home" from the New York University safety center.

The public relations committee of the association headed by Morris McCready of Smith, Stone & Snyder is arranging for a showing of fire prevention and safety films in the public and parochial schools of Wichita.

### Magill Speaks at Wichita

L. A. Magill, assistant manager of Kansas Inspection Bureau, Topeka, spoke at a meeting of Fire & Casualty Agents of Wichita. Officers named are Ralph Lightner, reelected president; James Glasco of Allen-Glasco, vice-president; Lee Bates, Fidelity Investment Co., secretary, and Martin Struble, Theo. A. Hiebert agency, treasurer.

### Hdw. Mutuals' Mich. Shifts

Norman Oosterbaan, former service manager of Hardware Mutuals at Grand Rapids, Mich., has been named training manager. He is succeeded by Harry J. Hansen, former adjuster. Another former adjuster, Howard F. Short, has been named personnel-office service manager at Detroit. Norman J. Guindon, former credit manager, has been made special group representative for eastern and northern Michigan. George R. Morris, former credit correspondent, replaces Mr. Guindon.

### 700 at Minn. Mutual Dinner

Nearly 700 executives and agents of Minnesota's 182 mutual fire and casualty companies attended a 200th anniversary dinner at St. Paul. D. F. Raible, vice-president of Hardware Mutual of Minnesota, was general chairman. It was announced that the oldest Minnesota mutual is German Farmers Mutual of Stillwater, organized in 1867.

### Charlotte Agents Elect

Bernard Schrader of the Schrader-Huber agency has been elected president of Charlotte (Mich.) Assn. of Insurance Agents, succeeding H. Gilmore Streckels. Lyall Ald, who also is president of the Eaton County association, and Stuart J. Bearup of Charlotte Insurance Agency were reelected vice-president and secretary, respectively.

### Church Mutual to Expand

Wisconsin Church Mutual Fire, Wausau, has changed its name to Church Mutual. It is also licensed in Iowa, Minnesota, Nebraska, North Dakota and Michigan, and expects to expand into Illinois and South Dakota in 1952.

Jack Hanley, with Franklin Life for 17 years, has opened a general insurance agency at Mexico, Mo. Claude E. Woods, in the business there for six years, is associated with him.

### Name Carter Safety Head of Indiana Agents Assn.

Morris J. Carter has been named safety director of Indiana Assn. of Insurance Agents and will have charge of the association's safety and accident prevention activities.

Mr. Carter is director of plant protection and safety of the Pierce-Governor Co. of Anderson, Ind. He has had experience as an Indiana state policeman and as police chief of Anderson, and during the administration of Governor Ralph Gates, he served as an assistant director of Indiana Traffic Safety Commission.

### Offer Indoctrination Course

Insurance Board of St. Louis will inaugurate a 12-week indoctrination class, including policy writing for all lines of insurance other than life, April 12.

Bennett G. Gregory, manager of the board, is to be moderator. Lecturers include Howard Bouck, Standard Underwriters; John J. O'Toole, F. D. Hirschberg & Co.; Leslie Willson, U. S. F. & G.; Fred Brinkmeyer, James Searles, Fidelity & Deposit, and Frank Myers, broker with Standard Underwriters.

### Agents Get Flint Cover

A plan of Flint Assn. of Insurance Agents calling for heavy increases in insurance on city buildings has been approved by the city commission finance committee. The committee previously had recommended adoption of the plan, but the action was deferred following protests by mutual agents that they had not had an opportunity to present a program. The annual premium will be \$1,289.

### Management School in Ohio

An agency management school, the first of its kind in Ohio, will be held at Kenyon College, Gambier, June 23-27. Dean Laurence J. Ackerman of University of Connecticut will teach for two days. Other instructors will be announced later.

### Now Milbank Mutual

The title of Evangelical Mutual of Milbank, S. D., has been changed to Milbank Mutual. There is to be an opening of its new home office building April 5.

### K. C. Party April 18

The spring party of Insurance Agents Assn. of Kansas City is to be held at Hillcrest Country Club April 18. Bob Metzler is entertainment chairman.

### Region 4 Women to Rally

Insurance women from Ohio, Michigan, Indiana and Kentucky will attend a two-day conference of region 4 of National Assn. of Insurance Women at Detroit March 29-30. Headquarters will be at the Hotel Statler. Mrs. Mildred Johnson of Toledo will conduct the business sessions.

### Set Ohio District Meet

The fifth district of Ohio Assn. of Insurance Agents will hold its meeting at Lima April 25.

### Hearing on New License Rule

ST. PAUL—A public hearing has been called by Commissioner Nelson for April 22 on a rule providing that any agent who has been previously licensed but who fails for two consecutive years

to renew his license shall not be eligible for a new license until he has filed with the commissioner a new application and completed a written examination.

### Schedule Kansas Institute

Kansas Assn. of Insurance Agents will sponsor its annual fire and casualty institute June 11-13 at Kansas University. Robert Charlton, Lawrence, is program chairman. The schedule includes the study of fire and allied lines, loss settlement, agency management, automobile and liability insurance.

### Plan Young Agents Parley

The 1952 young agents conference, sponsored by Ohio Assn. of Insurance Agents, will be held April 23-24 at Granville.

### Knerr Is Dayton President

Dayton (O.) Fire & Casualty Underwriters Assn. has elected Louis Knerr president; John Olt, first vice-president, and Harry Cutler, Sr., second vice-president.

### Entertain K.C., Kan., Officials

Kansas City (Kan.) Assn. of Insurance Agents held "open house" there for members of the board of public utilities and board of education, commissioners of Wyandotte county, trustees of Memorial Hall and city officials. Commissioner Sullivan of Kansas, who is president of N.A.I.C., was guest of honor.

### Minn Buyers Hear Rate Talk

Insurance Buyers Assn. of Minnesota at their March 25 dinner meeting at Minneapolis heard O. A. Bergerson of Fire Underwriters Inspection Bureau tell how fire rates are made.

### Agents Hear Fire Fighters

Richard Duck and Thomas H. Pressler, fire chiefs of South Bend and Mishawaka respectively, spoke to South Bend-Mishawaka Assn. of Insurance Agents on "Common Problems Between the Agent and the Firemen."

Frank L. Carson, Jr., Mulvane Kan., agent, was elected a director of First National Bank of Wichita following the death of his father, who was chairman of the board.

William DuVall of the Case & Son agency, Marion, is 4th district commander of the Kansas American Legion and has charge of the annual meeting at Emporia this week. Mrs. Alex Case is president of the 4th district auxiliary.

Willard Garvey, Wichita local agent, and Mrs. Garvey are leaving late in March for a month's trip by plane to England, France, Germany, Belgium and Switzerland.

Fire Underwriters Inspection Bureau, of Minnesota Fire Prevention Assn., the state fire marshal's department and Minnesota Assn. of Mutual Insurance companies are among the sponsors of a short course for firemen to be held on the St. Paul campus of University of Minnesota April 28-May 2.

Mrs. Elma Harvey has been elected president of Sioux City (Ia.) Insurance Women's Assn. Miss Lorraine Noll and Miss Marjorie Swinford are vice-presidents. Miss Delores Deist and Miss Augusta Anderson, secretaries; Miss Gladys Cassidy, treasurer.

The newly organized Fort Wayne (Ind.) Insurance Women's Assn. has elected Mrs. Lois Davenport, president; Miss Viola Mesing, vice-president; Miss Maxine Wells, secretary, and Mrs. Nellie Wagner, treasurer.

W. C. Woods, local agent at Beaver Dam, Wis., and Robert J. Meier, field man for Manufacturers & Merchants Indemnity, have formed a partnership to operate an agency there.

James E. Farley, formerly of Minneapolis and St. Louis, opened an agency at Janesville, Wis.

## EAST

### Tri-State Agents to Mark Milestone With Programs

To mark the 200th year of mutual insurance, the Sparks Club, organization of mutual field men covering Pennsylvania, Maryland and Delaware, has planned 10 meetings for local agents.

Those in Pennsylvania will be held on the following dates: April 21, Cambridge Springs; 23, Pittsburgh; 24, Bedford; 28, Wilkes-Barre; 30, Williamsport; May 2, Hershey; 5, Baltimore; 6, Wilmington; 7, Drexel Hill, and 9, Allentown.

The program at each meeting will follow the same pattern. The meeting will open with the showing of the film, "No Longer Worried," produced in observance of the anniversary. A representative of Middle Department Assn. of Fire Underwriters will explain recent changes in extended coverage, installment premium payment plan and the new fire policy proposed for adoption in Pennsylvania and Delaware. The luncheon will be free to agents.

Luncheon speakers include the governors of the three states, Commissioner Leslie of Pennsylvania, and H. R. Mullikin, manager of Middle Department Assn. of Fire Underwriters. Guests will include Commissioner Chesney of Maryland, Commissioner Murphy of Delaware, Mayor D'Alesandro of Baltimore, who is an agent there; Carlyle H. Hill, executive manager of Middle Department Assn. of Fire Underwriters; J. H. R. Timanus, secretary Philadelphia Contributionship; J. W. Freyman, secretary of Baltimore Equitable, oldest mutual in Maryland; and W. W. Swayze, III, president Farmers Mutual Fire, oldest mutual in Delaware.

In the afternoon sessions two teams of experts will participate in a quiz game, one composed of four mutual company officials and the other of four local agents. The program will simulate a modern TV show, and there will be prizes.

### Pa. Mutuals File Suit Attacking New Tax Law

HARRISBURG, PA. — The state has asked Dauphin county court to dismiss a suit attacking a new state tax on mutuals.

George W. Keitel, deputy attorney general, told the court the new tax is constitutional "in all respects." Three mutuals are contesting the law, which removes exemption of mutuals from payment of a 2% gross premiums tax.

The three mutuals bringing suit to contest the tax are Chester County Mutual, Coatesville; Lykens Valley Ins. Co., Elizabethtown, and Countrymen's Mutual, Lebanon.

Douglass D. Storey, attorney for the three mutuals, told the court that the new tax law is illegal because it is retroactive for all of 1951 although it was not passed until Dec. 27 of that year. He argued also that the act is discriminatory because it exempts out-of-state reciprocals from payment of the tax.

Mr. Keitel denied both contentions. He said reciprocals operating in Pennsylvania are subject to the new tax.

### N. Y. Program Takes Shape

The program is being shaped up for the annual meeting of New York State Assn. of Insurance Agents at Hotel Syracuse, Syracuse, May 4-6. The convention opens the morning of May 5 with a forum on agency problems with only agents allowed in. The discussion will be based on replies to questionnaires. Local boards have been asked to

submit questions for discussion at that time. The afternoon speakers will be J. T. MacDuff, motor vehicle commissioner of New York; Joseph A. Newmann, president of the association, and Roger Kenney, insurance editor of U. S. Investor. America Fore will give a cocktail party and then comes the dinner, etc. The next morning there will be a forum for young agents, the speakers being Superintendent Bohlinger of New York and James C. O'Connor, executive editor of F.C.&S. Bulletins. Afternoon speakers will be Walter M. Sheldon of Chicago, vice-president of N.A.I.A., Prof. E. W. Muehl of Yale. Then comes the banquet.

### New Procedure in Maryland

Maryland Fire Underwriters Rating Bureau has instituted a new procedure whereunder incorrectly written daily reports and endorsements covering dwellings and household furniture, when the amount of insurance does not exceed \$7,500, will be returned to the writing office along with a memorandum indicating the necessary changes.

Notice of liability or copy of daily report or endorsement will not be sent to the company until correction has been made. This procedure has been successfully used elsewhere in the east.

### Uhler Heads Mutual Men

Harry E. Uhler, general manager of Insurance Agency, Inc. of Baltimore, was elected president of Tri-State Mutual Agents Assn. of Pennsylvania, Maryland and Delaware at the annual meeting at Philadelphia.

John Bracken, manager of General Adjustment Bureau, addressed members of New Hampshire Women's Insurance League at a dinner at Rochester. About 60 were present including Charles W. Varney, president of the Grange Mutual Co.

Insurance Women of New Jersey held a dinner meeting at Newark to hear Francis T. Curran, supervisor of the statutory disability division of the Loyalty group.

About 50 participated in the inspection of Salisbury, Md., by the State Fire Prevention Assn. for Delaware, Maryland and District of Columbia.

## COAST

### Submit L. A. School Bids on \$120 Million Coverage

LOS ANGELES—The Los Angeles board of education has received and opened bids for approximately \$120 million insurance on its school properties under fire and E.C. forms, with deductible and self-insurance proposals among the bids. Seven bidders, including Insurance Assn. of Los Angeles, made offers, the bids specifying the companies that will be on the line.

Because of the number of bids and their technical nature, it is estimated that from three to six weeks will be necessary to study them before a report is made to the board of education for its consideration.

When the present contract was awarded to Cosgrove & Co. and Allen T. Archer Co. it created a furor which resulted in the policies not being cleared by Pacific Rating Board for some little time. As a result the board early this year called for new bids in the open market.

### Cal. Membership Now 2,464

Membership of California Assn. of Insurance Agents has now reached 2,464, according to Robert E. Dawson, vice-president and chairman of the membership committee, who expects to sign up the 2500th within the next few weeks.

### Conflagrations Forum Topic

A panel discussion of "Conflagrations—Past, Present and Future" featured the March meeting of Fire Underwriters Forum of San Francisco. Loren S. Bush, chief engineer of Pacific Board,

was moderator and participants were Rudolph C. Stange, assistant general manager National Board; Fred S. Morasch, vice-president Fireman's Fund, and Boyd S. Chiles, assistant secretary of Fireman's Fund in charge of reinsurance. The speakers emphasized the necessity for the underwriter to consider the fire possibilities area-wise as well as the immediate risk.

### Cal. Hit by Wind Losses

California has had more windstorm losses since Jan. 1 than in any similar period in its history, according to old timers there. The latest storm on March 14 produced about 4,000 losses for a total estimated loss of approximately \$750,000, mostly in the southern part of the state. Neither of the two earlier blows reached \$1 million in total losses but were between that and half of it.

### National in New Quarters

National held open house in its new quarters in the Tishman building on Wilshire boulevard at Los Angeles. The new quarters cover 3,000 square feet of floor space, with an equal amount available as the expansion of business warrants. Vice-president Chester Long attended from the home office.

### Doyle, Willson at S. F. Forum

Don Doyle, president of Oakland Assn. of Insurance Agents, and Hal D. Willson, president of Insurance Brokers Exchange of California, talked on problems of the producers at the March 26 dinner meeting of Insurance Forum of San Francisco.

### Oakland Forum Elects

New officers of Oakland Insurance Forum are George Keltner, president; Walter Merkle, vice-president; Kenneth White, secretary and Arch Tomlinson, treasurer.

### Boyle Oakland Speaker

Harry J. Boyle, general manager of General Adjustment Bureau, spoke on "What's Happening" in insurance before Oakland Assn. of Insurance Agents Wednesday. He discussed large losses, reasons for increased rates and the affect of California's increased population on insurance as well as the relation of the adjuster and the American agency system.

The annual golf party of the Oakland association will be held May 16. William E. Hancock is general chairman.

### Christie Now Loss Head

Robert M. Christie has been promoted to loss manager at the Los Angeles office of Home. He has been staff adjuster there.

### Raps Comparative Negligence Law

LOS ANGELES—James P. Bennett, past president of Insurance Assn. of Los Angeles, and one of the original group that founded the Council of Insurance Assn. of Los Angeles, spoke at the March meeting of the council on "The Comparative Negligence Law."

He said five states now have such laws and that an effort is being made to have the 1953 session of the California legislature enact a similar law, which would supplant the present contributory negligence law in effect in California since 1873. He declared its passage would permit a verdict for every one engaged in litigation and suggested that all insurance organizations make an effort to prevent the passage of such a law.

Bert Stewart, Jr., field secretary of National Automobile Club, is on a speaking tour of southern California, appearing before civic and service clubs, with local agents serving as chairmen.

Fred W. Schwier, who has been with the casualty department of Gould & Gould, Seattle general agents, has joined Universal Underwriters, surplus line brokerage firm there.

## IN THE SOUTHERN STATES

### Dedicate New Baton Rouge Fire Prevention System

Baton Rouge, La., dedicated its \$1-200,000 fire protection system this week with many visiting insurance men and fire officials on hand. The system includes seven modernistic new fire stations, new fire alarm headquarters with latest equipment, new drill grounds, six new pumps, 100-foot aerial ladder, 326 new alarm boxes, and complete two-way radio in every car and on every piece of apparatus.

Also augmenting the system are 800 new fire hydrants, with necessary water mains, installed by Baton Rouge Water Works Co., a private utility, at cost of over \$2 million.

The expansion program was started in 1949 when the city annexed large suburban areas, increasing its size six times. Population also has jumped from 30,000 in 1941 to 130,000. Using existing protection to cover Greater Baton Rouge would have raised fire insurance rates all over the city, so a citizens committee headed by Tom Grace, local agent, was named to help Bob Bogan, veteran fire chief, in planning A-1 protection. Mr. Bogan, former president of International Assn. of Fire Chiefs, insisted on nothing but the best and the city gave it to him. New stations are strikingly functional and all on one level, to eliminate injuries caused by firemen using brass pole. All stations are fully manned by 226 firemen, of which 170 are new men.

The entire program was worked out in consultation with National Board and city officials are strong in their praise for J. H. Arnold, assistant chief engineer, who made surveys and recommendations.

When the program was completed, Louisiana Rating & Fire Prevention Bureau rerated newly annexed areas. New rate for frame dwellings in new areas is \$2.20 per \$1,000, compared with old rate of \$5 per thousand. No change was made in old city areas, where rate is \$2.20 per thousand, but this rate could not have been maintained without fire protection improvements. W. S. Bizzell, manager of the rating bureau, did a good public relations job by sending his engineers in to rerate new annexed areas while National Board men were still at work testing expanded fire department last fall. This prevented delay in announcing new rates, which went into effect last Feb. 18. They are claimed to save property owners in new areas \$500,000 annually.

Completion of the new facilities was the signal for a municipal celebration. The mayor proclaimed "Bob Bogan Day" in honor of the fire chief, and he was honored at a civic banquet. Citizens were invited to inspect the new fire stations their tax moneys had bought. The city had sold \$750,000 excess revenue bonds and adopted a 1% sales tax to finance the whole project.

### Mutual Dinner in Ky.

LOUISVILLE—More than 200 attended a dinner here, sponsored by 22 Kentucky mutuals, as a part of the nationwide observance of the 200th anniversary of mutual insurance.

Robert Wilson, Lexington, commercial engineer of Kentucky Utilities Co., and Commissioner Southall were the chief speakers. Thomas I. Ball was program chairman and official greeters, dressed in the costumes of 200 years ago, included Roscoe Dalton, former head of the Housing Administration at Louisville; Spencer F. Martin, state manager of Liberty Mutual; John Kissler, Owensboro, and Vertner Slade, Lexington, former commander of the American Legion in Kentucky.

Arkansas Fire Prevention Assn. is assisting in a two-day fire prevention drive and inspection at Russellville March 27-28. About 30 field men are expected to participate.

### Cheek Orders Reworking of All-Risk Dwelling Cover

RALEIGH — Commissioner Cheek found the Transportation Insurance Rating Bureau's comprehensive dwelling endorsement "of doubtful interest," but since he saw a "definite need" for offering property owners coverage against additional perils he remanded the endorsement to North Carolina Fire Insurance Rating Bureau with instructions to develop a method whereby property can be insured against the perils now covered by the extended coverage endorsement and as many of those perils covered in the comprehensive form as may be provided at a reasonable cost on a single form. His decision resulted from a public hearing held last month.

Mr. Cheek considered the comprehensive dwelling endorsement as of doubtful interest due to the method of providing the extension of coverage, the limitation of its availability to only a segment of the property owners, and the rate (10 cents per \$100) to be charged. In returning the form to the bureau, he suggested that the bureau call upon member companies of Transportation to join in working out a new form.

### Region 6 Women Meet

At the annual meeting at Oklahoma City of region 6 of National Assn. of Insurance Women, with 175 in attendance, Mrs. Frances Runk of Houston was elected regional director to succeed Mrs. Dean Vorhees of Corpus Christi, Beaumont, Tex. was chosen as the site for the 1953 meeting.

There was an extensive entertainment program, including an Indian "pow-wow" the first evening, with the Oklahoma companies as hosts; a luncheon given by Home in honor of the club presidents; a breakfast tendered by National Surety and the banquet at which Tom Weaver, executive secretary of Oklahoma Assn. of Insurance Agents, was master of ceremonies.

Louise Eckert of New Orleans stressed the necessity for cooperation with the press and Miss Jessie Voss, Oklahoma City, reporting for the legislative committee, urged more active interest in measures sponsored by the agents.

### Light Company Gathers

The Light Adjustment Co. of Little Rock held a gathering for its head office personnel and from the six branch offices. The emphasis in the discussion was on expediting the handling of claims and coordinating the work. There is a staff of 33 persons. Louis R. Light is the claims manager.

### Tex. Women Meet at Austin

The officers and directors of Federation of Insurance Women of Texas held their mid-year meeting at Austin with President Vina Meier of Amarillo presiding. She reported membership is now more than 700. Mrs. Faye Arnim, first vice-president, San Antonio, reported the organization of the Gregg county group, including Kilgore, Longview and Gladewater and the East Harris County Club. Nina Nolen, Corpus Christi, convention committee chairman, reported on plans for the state meeting there.

### Connolly Joins Vanston & Co.

Bob Connolly, who has been with Texas Insurance Checking Office at Austin for four years, has been appointed manager of the fire underwriting department of the Barney Vanston & Co. general agency of Dallas.

The Blue Goose auxiliary of the Sunflower puddle at Wichita held a "chuckwagon" dinner for the husbands. Nearly 75 attended.



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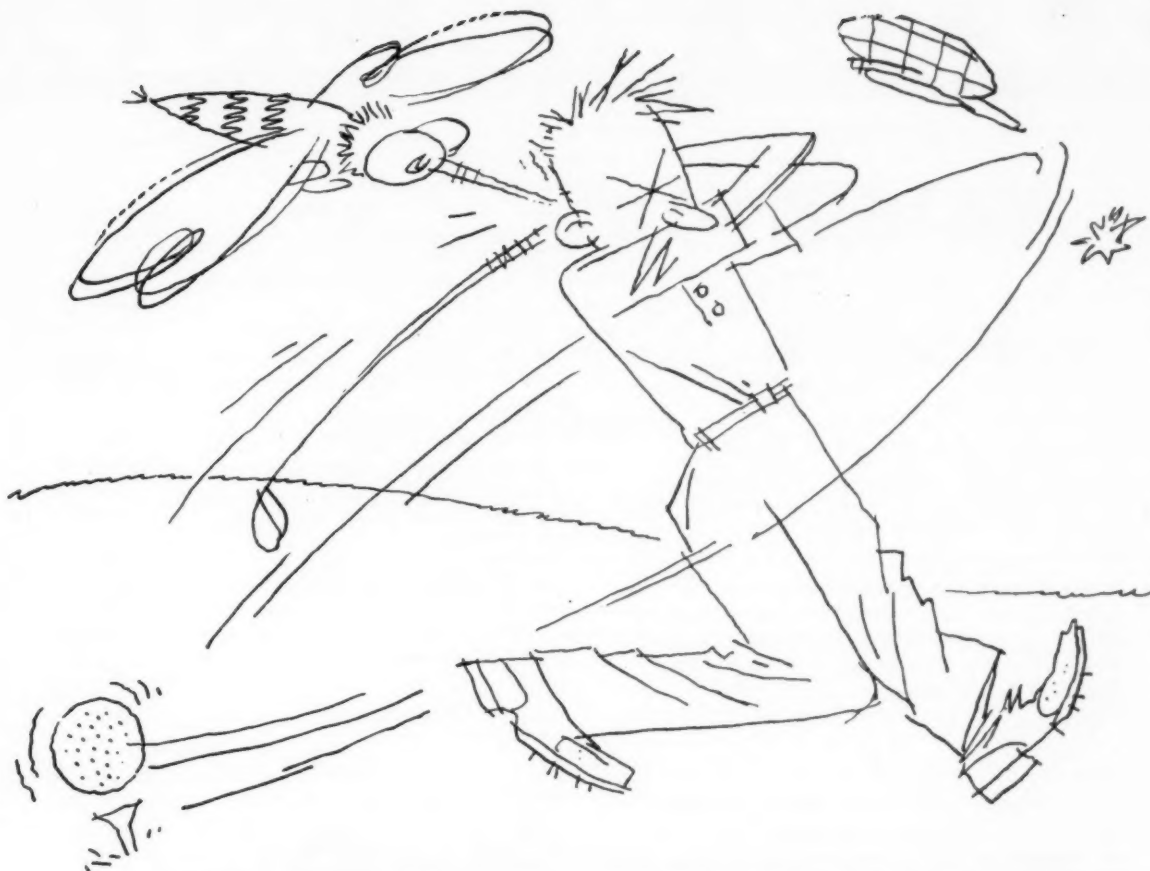
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## SOME BUSINESS INTERRUPTIONS ARE ONLY ANNOYING

but others can have serious consequences to a man and his business. Every year, fires, explosions, windstorms or other disasters write a sudden and permanent end to hundreds of firms that were thriving only a few days or hours or even minutes before the calamity struck.

And that's where Business Interruption insurance (often referred to as U & O) comes in. With this coverage, foresighted

businessmen can protect themselves against the possibility of business failure due to fire or extended coverage perils. B.I. insurance pays wages of valuable employees, profit on lost trade, and fixed expenses so that a business can reopen with its credit unimpaired.

You'll find that Business Interruption is easy to sell . . . every store or business in your community is a prospect. Your Travelers field man will be glad to help you get started.

*Protection through The Travelers  
means increased earnings for you.*

**THE TRAVELERS  
FIRE INSURANCE  
COMPANY  
Hartford, Connecticut**

# The VALUE that cannot be measured...

THIS is the time of year when The Home Insurance Company reports on its operations and progress for the previous year. In so doing, as you will note, we list the physical assets of the company.

One of our most fundamental assets, however, cannot be listed and evaluated in dollars. That asset is the close bond of personal interest and friendship that has always existed between The Home and the policyholders it serves.

This asset has a threefold source. In part, it springs from the very nature of the business in which The Home is engaged. No field of activity is more deeply personal than the field of property insurance... the protection of a man's home, his business, his cherished possessions. Another underlying stimulus of this friendly relationship is the natural concern any policyholder feels regarding the company which provides him protection, and his loyalty to a company which proves itself worthy of loyalty. The third source lies in the whole business philosophy of The Home and its more than 40,000 agents and representatives... a warm and human way of doing business on the directly personal level; a relationship of people with people—people supplying service to people with a need for that service.

To the stockholders who own The Home, no asset is of greater value. Every premium payment, every policy, every claim and every benefit that make up the story of The Home for 1951 is a direct outgrowth of that bond of friendly interest.

It is the foundation on which The Home builds.

Sincerely,



PRESIDENT

PROPERTY  
INSURANCE

☆ THE HOME ☆  
*Insurance Company*

FIRE • MARINE  
AUTOMOBILE

Home Office: 59 Maiden Lane, New York 8, N. Y.

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds

## Balance Sheet

	December 31, 1951
<b>ADMITTED ASSETS</b>	
United States Government Bonds . . . . .	\$ 94,712,097.11
Other Bonds . . . . .	61,066,023.83
Preferred and Common Stocks . . . . .	137,331,389.75
Cash in Office, Banks and Trust Companies . . . . .	34,525,001.17
Investment in The Home Indemnity Company . . . . .	16,775,982.44
Real Estate . . . . .	6,804,977.76
Agents' Balances or Uncollected Premiums . . . . .	19,562,958.04
Other Admitted Assets . . . . .	4,154,929.80
<b>Total Admitted Assets . . . . .</b>	<b>\$374,933,359.90</b>
<b>LIABILITIES AND CAPITAL</b>	
Reserve for Unearned Premiums . . . . .	\$163,843,315.15
Unpaid Losses and Loss Expenses . . . . .	33,259,160.83
Taxes Payable . . . . .	7,500,000.00
Reserves for Reinsurance . . . . .	1,783,086.36
Dividends Declared . . . . .	3,600,000.00
Other Liabilities . . . . .	4,596,351.05
<b>Total Liabilities . . . . .</b>	<b>\$214,581,913.39</b>
Capital Stock . . . . .	\$ 20,000,000.00
Surplus . . . . .	140,351,446.51
<b>Surplus as Regards Policyholders . . . . .</b>	<b>\$160,351,446.51</b>
<b>Total . . . . .</b>	<b>\$374,933,359.90</b>

NOTES: Bonds carried at \$5,514,759 Amortized Value and Cash \$80,000 in the above balance sheet are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. Based on December 31, 1951 market quotations for all bonds and stocks owned, the Total Admitted Assets would be \$371,808,657 and the Surplus as Regards Policyholders would be \$157,226,744.



## Directors

LEWIS L. CLARK  
Banker

GEORGE MCANENY  
Trustee,  
Title Guarantee &  
Trust Company

HAROLD V. SMITH  
President

FREDERICK B. ADAMS  
Chairman of  
Executive Committee,  
Atlantic Coast Line  
Railroad Co.

ROBERT W. DOWLING  
President,  
City Investing Co.

GEORGE GUND  
President,  
Cleveland Trust Co.

HAROLD H. HELM  
President,  
Chemical Bank &  
Trust Co.

CHARLES A. LOUGHIN  
Vice President &  
General Counsel

IVAN ESCOTT  
Vice President

PERCY C. MADEIRA, JR.  
President,  
Land Title Bank &  
Trust Co.

EARL G. HARRISON  
Schneider, Harrison,  
Segal & Lewis

CHAMPION McDOWELL DAVIS  
President,  
Atlantic Coast Line  
Railroad Co.

WARREN S. JOHNSON  
Vice Chairman,  
Peoples Savings  
Bank & Trust Co. of  
Wilmington, N. C.

ROGER W. BABSON  
Chairman of Board,  
Babson's Reports, Inc.

HENRY C. BRUNIE  
President,  
Empire Trust Company

HARBIN K. PARK  
President,  
First National Bank  
of Columbus, Ga.

BOYKIN C. WRIGHT  
Shearman & Sterling  
& Wright

\*Elected January 14, 1952

LEROY A. LINCOLN  
Chairman of Board,  
Metropolitan Life  
Insurance Company

THOMAS J. ROSS  
Senior Partner,  
Ivy Lee and T. J. Ross

HENRY C. VON ELM  
Honorary Chairman  
of Board,  
Manufacturers Trust  
Company

JOHN M. FRANKLIN  
President,  
United States Lines Co.

LOU R. CRANDALL  
President,  
George A. Fuller Co.

KENNETH E. BLACK  
Vice President &  
Assistant to the President

LEONARD PETERSON  
Vice President & Controller

HERBERT A. PAYNE  
Vice President & Secretary

J. EDWARD MEYER\*  
President,  
Cord Meyer Development  
Company